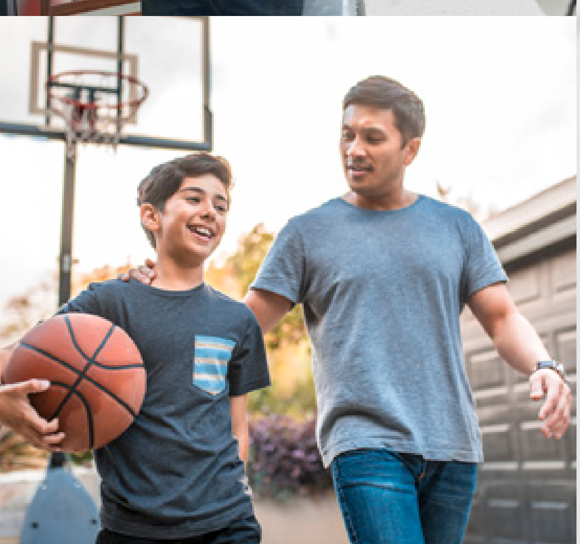
Napa Valley Housing Needs Assessment



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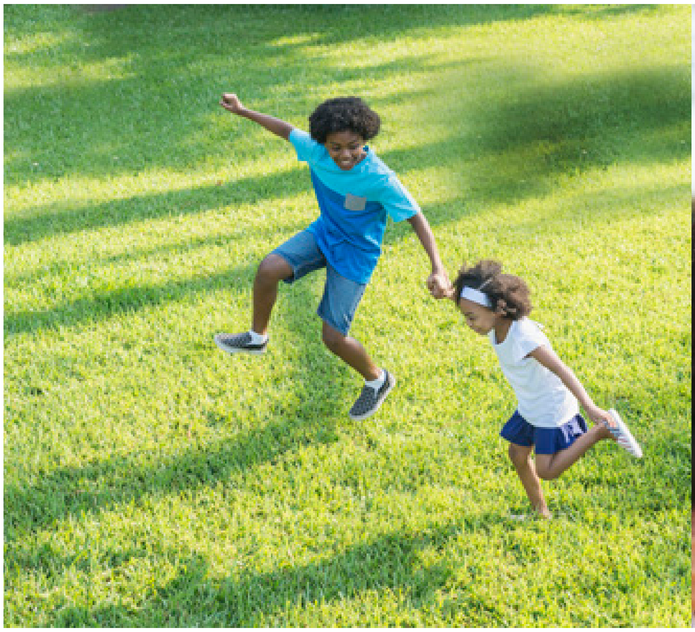

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Introduction

Napa Valley's housing market experiences pressures common to nearly all Bay Area counties. The Valley is both a stable center of employment and a highly desirable place to live, attracting higher-earning residents looking to enjoy the region's rich amenities at the same time as it draws skilled workers into its core hospitality, agricultural, manufacturing, and healthcare sectors. But while the former group, which includes wealthier retirees and professionals who work outside of the Valley, might be able to keep up in an ever-tightening housing market, the latter finds it increasingly difficult to live in the same place they work, despite the Valley's historic housing affordability in comparison to peers like San Mateo, San Francisco, and Santa Clara County.[1]

Today, those most readily able to live in Napa Valley are not necessarily part of its workforce. The subsequent impact on its housing market is significant: Housing prices, unconstrained by the needs of Napa Valley's workforce, have risen beyond the reach of low- and moderate-income households. Relatedly, the aging and depreciation of older housing stock that many places typically rely upon to maintain affordable homes for workforce households has not materialized.[2] Instead, median rents in Napa Valley have doubled since 2005 and median home prices have increased nearly 400% since 1990.[3] Napa Valley is demonstrating how, absent decisive action on housing supply and costs, real estate markets in amenity-rich destinations can wholly transform in the timespan of just one generation.

This report on Housing Needs in Napa Valley first estimates the deficit in housing production since 2000, based on what the Valley would have needed to maintain typical historic population growth. We then explore future housing needs by estimating how many young adult households, workforce households, and households with children are now missing and must be accommodated moving forward.

The evolution of Napa Valley's housing market preceded by nearly a full decade the transformation wrought by the tech boom across the greater Bay Area. Napa Valley's young adults experienced delays in households now typical of the region at least a decade before the rest of the state. Likewise, its drops in rates of homeownership among moderate and lower income residents preceded similar declines in cities like San Francisco, resulting in the loss of thousands of workforce households. Finally, the decline of workers living within county lines can be seen in Napa Valley several years before the Bay Area region as a whole saw large increases in workers living out-of-county and commuting in.

Despite comparative and historical affordability of its housing stock, the Valley's more modestly priced homes were no match for demand from higher earning residents. And if Napa Valley's durable workforce exerted little leverage on existing home prices despite increasing demand for their services, the Bay Area as a whole stood minimal chance of remaining a home for moderate and lower income households during its own transformation. Fortunately, many counties are beginning to act.

The Valley's response to its housing need can take inspiration from other Bay Area counties and cities that are seeking to curb out-migration to the Central Valley or out of state, as well as the decline in households with children and the increase in cost burden. But it must take on rising housing prices that stem from its unique economic transformation into a global, amenity-rich destination. In the past two decades, as we show in this report, the threat to Napa Valley's workforce residents and hiring pools has been temporarily mitigated by more affordable, regional housing markets. As these neighboring cities themselves see rising home prices, the regional hiring pool as a whole may experience even greater cost burden.

Napa Valley's Current Housing Deficit

Underbuilding caused a deficit of homes between 2000 and the present, the majority of them for lower income residents. The convergence of underproduction with the region's rise to fame as a global destination resulted in a severe mismatch between the demand for workforce housing and the available supply.

- Napa Valley has a twenty-year housing deficit of roughly 9,700 homes that should have been built to accommodate natural population growth. This includes nearly all of the 1,300 homes lost to wildfires between 2017 and 2020 that were not rebuilt.
- 65% of the 9,700 unit shortfall originates from a shortage of affordable homes not built during this period for lower income households.
- Napa Valley added around 8,200 housing units to its overall stock of 55,000 units during this period, of which 1,777 are now deed-restricted LIHTC affordable homes available to lower income households.

Napa Valley's Future Housing Need

In addition to a deficit accrued since 2000 of nearly 9,700 units, Napa Valley's future need is determined by delayed household formation among existing residents and workers. If rates of headship, homeownership, and workers living within the Valley had remained at historical averages, we can estimate the extent of delayed or prohibited household formation over the last two decades. If these households seek homes in the coming years, we anticipate that:

- More rental and for-sale units will be needed in coming years for the nearly 8,000 fewer young adult households that have formed compared to historical averages.
- 3,000 renter households, who delayed making the transition to owner-occupied units compared to 2005 rates, must be accommodated.
- There are 13,000 missing lower-moderate and below moderate earning households (i.e., those earning below $100,000) since 2015, including 4,100 who failed to maintain households as a result of out-migration or have returned to co-share arrangements with families or other renters.
- Napa Valley will need homes for an estimated 3,500 new workers in the low- and lower-moderate income categories concentrated in the hospitality, beverage manufacturing, agricultural, and health services sectors.

What Napa Valley Needs from its Housing

Napa Valley is already outperforming some forecasts. For example, a 2021 Caltrans report predicted that "housing production is expected to average 250 to 300 homes per year from 2021 to 2026, consisting primarily of single-family homes."[4] The Valley as a whole has defied these trends, correcting some of the lack of diversity of housing. Units in the pipeline for the 6th RHNA Cycle will make an even larger dent in this deficit. But needs remain:

- Napa Valley has lost 6,000 owner-occupied homes affordable to moderate- and low-income households, primarily concentrated in the City of Napa and American Canyon.
- Napa Valley has 5,700 homes occupied by Above Moderate earners who are paying under 20% of their income on rental and owner-occupied units that cost $2,000 or less per month — a modest price more closely matched to moderate- and low-income households.
- 3,500 large bedroom units are currently occupied by 1-person households that could alleviate overcrowding among lower earners.
- 80% of its 3-bedroom homes are for sale, the highest rate in the North Bay, restricting rental options for larger families.
- Nearly all of Napa Valley's 1-bedroom units are for rent, compared to 15% of 1-bedrooms in Marin County, meaning the Valley supplies very few condos or small homes to own that could serve as entry-level ownership options.

Recommendations: The Challenge of Affordable Housing in Amenity-Rich Destinations

Napa Valley faces a unique set of challenges to ensure housing is affordable to its lower and moderate earning workforce. As some analysts have framed it, amenity-rich destinations experience "symptoms of [their own] successful economic development strategy."[5] When industries staffed by hospitality, agricultural, and manufacturing workers attract potential residents who are not part of the workforce, regions should expect to see a greater than average share of homeseekers who are not necessarily bound by the region's median incomes. The housing market that results is largely unconstrained by the incomes of workers in its predominant industries. And in places that have an additional pull other than jobs, meeting the job/housing balance is harder because many come for reasons other than employment.

At the same time, Napa Valley's workforce pool is sheltered in the short term by virtue of more affordable cities outside of the Valley but close enough to workplaces. If housing prices push people out, jobs keep them nearby. As a result, workers may leave Napa Valley but not the regional workforce pool. Cities like Vacaville and Fairfield and counties like Lake County act as pressure relief valves that let Napa Valley maintain its workforce even as prices rise, putting fewer checks on housing prices within the Valley.

In these volatile contexts, policy plays a key role in keeping prices down. But inaction is a policy response as well. Studies have shown that in amenity-rich destinations like Napa Valley where home conversions to short term rentals for tourists dominate new rental options, such changes are indicative of a greater emphasis on "increasing house prices [rather than] increasing supply quantities."[6] Yet without relief, high demand among visitors will continue to incentivize a number of transformative market effects, from higher shares of second homes on the vacancy market to the "conversion of housing into rentals."[7]

All of this means that local governments of regions with luxury real estate are susceptible to demands that originate far beyond their region. They can experience changes that are unbound by regional workforce trends and rarely pegged to changes in nearby urban employment centers, meaning that Napa Valley cannot bank on regional market incentives to keep its prices affordable.[8]

Finally, its most common asset — owner-occupied homes — are most vulnerable to these types of transformations. While conversions may impact all sorts of homes by tenure or location, industry analysts have found the increase in vacation homes and condos has its greatest impact on moderate priced owner-occupied units, the ones most likely to serve as entry level homes, thereby short-circuiting "the normal path to homeownership."[9]

The 2000–2010 period was critical in this transformation — not only for the rise in demand among higher earning residents, but also for what can be learned from the North Bay's policy responses as a whole. Between 2000 and 2010 Napa Valley saw the largest increase in rates of rental cost burden among any Bay Area county, with a 13 percentage point increase, bringing it above the nine county Bay Area average for the first time.[10] This was driven by large increases in burden for the lowest quartiles of earners during that period.[11] At the same time, its annual per capita permitting dropped at faster rates than neighboring counties, ceding one of the primary levers the Valley could use to stabilize prices. Among limited supply, workforce households competed against higher earners for limited openings, leading to displacement. As major analyses of similar amenity-rich market transformations have shown, in constrained markets with high levels of competition for

moderately affordable housing, you see what housing policy experts call a housing ladder or bridge. When the highest-priced housing gets even more expensive — as happens rapidly in hot markets like amenity destinations — some buyers will shift into the tier below. These buyers can outbid people who were stretching to purchase homes in this tier, and they will shift into the tier below.[12]

As we find, Napa Valley experiences some of the highest rates of misalignment in the North Bay, with nearly 5,700 modestly priced homes occupied by above moderate households. During this process, surrounding regions have absorbed what would otherwise be higher rates of cost burden, overcrowding, and out-migration among those who cannot outbid higher earners. This effectively acts as a pressure relief valve that tempers demand for Napa Valley residences while also enabling it to maintain a healthy workforce. The highest net out-migration was to regional neighbors of Solano County, Lake County, Sonoma County, and Sacramento County.[13] The challenge now is that prices in the nearby cities are also rising, meaning that Napa Valley may not have this relief valve for as long.[14]

Current Deficit: Napa Valley Is Short 9,700 Homes

We estimate that Napa Valley has a twenty-year housing deficit of roughly 9,700 homes that should have been built to accommodate population growth, but were not. The large majority of the deficit in homes we see today, 65 percent, has disproportionately impacted lower-income households who have been unable to secure affordable housing.

We note that our deficit estimate greatly exceeds Napa Valley's 2023–2031 Regional Housing Needs Allocation (RHNA) of 3,844 units, even despite our deficit number not including future housing need. However, RHNA should be viewed as a state-mandated minimum housing goal, and we believe our number better estimates Napa Valley's true, long-run housing need.

The average annual rate of production in the last 20 years is considerably lower than prior decades and the last decade has been the worst decade for homebuilding in modern history. Napa Valley permitted only a quarter of the average annual rate of homes in the 2010s compared to the 1980s and a third of what it produced in the 2000s. Underproduction of housing stock preceded stagnant population growth.

The decline in housing permitting over this period occurred concurrently with two major losses to the region's housing stock, exacerbating anticipated deficits. Between 2017 and 2020, Napa County lost nearly 1,300 homes to wildfires, only 304 of which have been rebuilt as of July 2024, according to The Napa Valley Register. Over a longer period of time the Valley lost thousands of units to rental conversion and second homes, depleting already low vacancy rates. Both of these losses appear durable in the short term and are thus factored into our assessment of total deficit.

We model this housing shortfall leveraging average annual population growth rates from 2000 to 2020, which enables an estimate for how many households Napa Valley should have formed compared to the number of current households by income level. Projected growth includes in its inputs job growth, city boundaries, environmental assets, among other relevant factors that impact housing.

Table 1. Napa Valley's Current Housing Deficit

Source: U.S. Census Bureau and Generation Housing calculations

	Below Area Median Income	Above Area Median Income	Total
Households in 2000	22,701	22,701	45,402
Households in 2020	24,869	24,869	49,738
Projected Households in 2020	31,678	31,678	63,356
Projected Growth in Households	8,977	8,977	17,954
Units Produced	6,411	1,777	8,188
Unit Deficit	2,566	7,200	9,766

Table 1 shows that Napa Valley was projected to increase to roughly 64,000 households by 2020, which would have netted 17,953 new households.[15] In actuality, Napa Valley had about 49,000 households in 2020, or an increase of only 4,300.

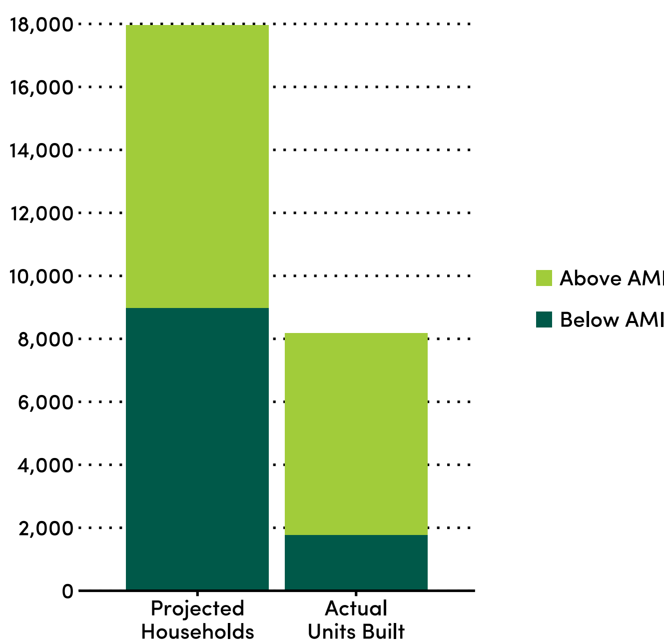
Napa Valley permitted around 8,188 housing units, of which 1,777 are deed-restricted LIHTC (Low-Income Housing Tax Credit, the federal program that accounts for the majority of legally designated affordable rental housing) affordable homes available to lower income households, or about 3% of the total current stock.

The net difference between the number of homes permitted relative to the growth projections for this period resulted in a housing shortfall estimate of 9,766 units.

Figure 1 compares projected household growth to actual housing units permitted, splitting both by income level. We find that 65% of the 9,700 unit shortfall originates from a shortage of affordable homes not built during this period for lower income households — a policy choice that displaces or bars those households from Napa Valley.

Figure 1. Projected Household Growth vs. Permitted Units, 2000–2020

Source: Generation Housing calculations



Future Housing Need: What Napa Valley Must Plan for

Housing estimates based on population growth targets are helpful in assigning baseline goals. But measures linked to net migration and job growth alone are based largely on the loss of potential residents rather than on the unmet needs of existing residents. Unmet housing need includes residents who cannot form their own household, who live in overcrowded conditions, who work in Napa Valley but live outside of it, or those who cannot secure a home for purchase. Future housing projections based on population growth can also be misleading at moments of population stagnation; when future estimates are low, it may appear that more housing is not needed to satisfy growth.[16]

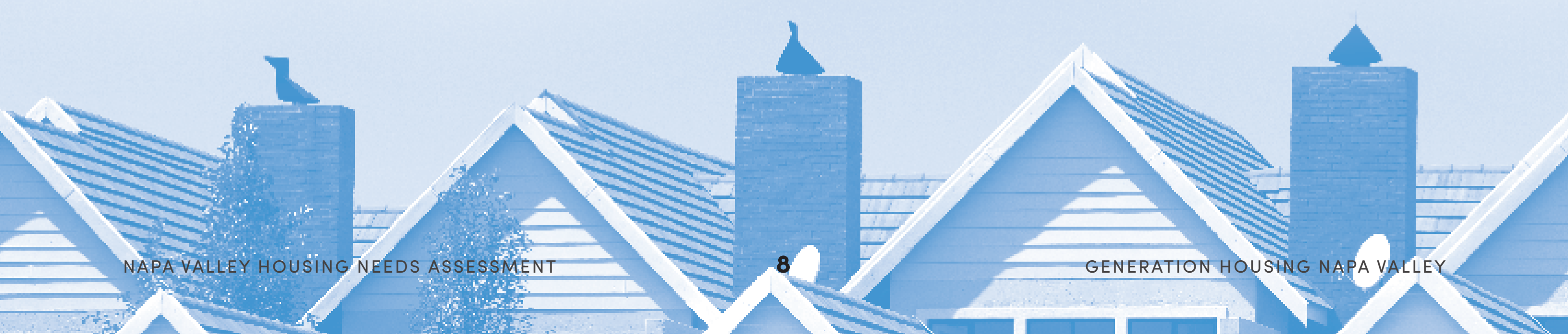
Such totals underestimate the need for growth among residents who already live or work in Napa Valley but have delayed or been prohibited from forming households. Unmet — or latent — need helps estimate who would likely form a household if units were available and affordable. Future estimates based on these measures are relatively predictive because they are consistent with salient life-cycle milestones including age, family status, and income that are strongly correlated with housing need. For example, the formation of a new household is strongly linked to young adulthood while the need for larger bedroom sizes is predicted by family status. Later career stability is linked with homeownership. These needs are also durable and consistent across regions. Hence, comparing these measures between Napa Valley and the state shed good insight into how its residents are differently impacted by housing costs.

Finally, these measures are helpful in determining future need because groups who have delayed forming a new household will need housing in the coming years. In this section, we estimate lags in headship by age (a measure of the rate of household formation), delayed transition to ownership by age, and out-of-Valley workforce migration to better predict what housing need will be in the future.

What we call unmet or latent need can be observed anecdotally, from waitlists for affordable housing units to competition for market-rate sales and rentals, for example. In Napa Valley, we find household growth for different segments of the population has not always kept pace with population change or job growth. In housing markets with severe constraints where the total number of homes is not the only constraint on household formation, the distribution of housing stock acts as an equally strong layer or element of constraint. We therefore measure growth in latent housing need irrespective of actual household formation. We measure it through low headship rate, lag in homeownership, displacement, and housing cost misalignment. In short, it is a way of detecting the need among current residents that is not currently met but will contribute to demand in the near future.

Napa Valley Needs Homes for 13,000 Younger Adult Households

Housing need varies according to the different stages of one's life, which explains how we can observe rising demand at the same time that population growth is stagnant or even decreasing. The headship rate, defined as the percentage of individuals in a population who are the heads of their own households, is a way of measuring this need.



For example, if half of Napa Valley's residents were the head of their household (and the other half of residents lived with one of those householders), then the Valley would have a 50% headship rate.

Headship rates typically start to rise among individuals as they enter their mid- to late-twenties, corresponding with the period they seek to move out from a parent or guardian, or start a family. But they can also be delayed by limited availability of renter opportunities, high rents, and cost burden. The Urban Institute found that when housing costs began to rise precipitously between 2000 and 2010, the most affected age group were those in the 25- to 44-year-old range. Today they are 35 to 54 years old, and lag in headship rate behind previous generations.[17]

Napa Valley's rates of headship for its younger adults reflect this trend. Figure 2 shows that they have declined to rates far below their historical averages, reflecting even greater constraints on the ability of young residents to form new households. When residents born in the 1960s were 20–24 years old, their headship rate was 22%. For residents born in the 1990s, their headship rate at the same age was just 10%. Similarly, when residents born in the 1990s were 25–29 years old (many in this group are in their 30s today), their headship rate was 26%, 10 percentage points below the rate of those born in the 1960s when they were also 25–29 years old. Other birth decades lag behind too: Even residents born in the 1970s and 1980s are finding it more difficult to form their own households than those born in the 1960s.

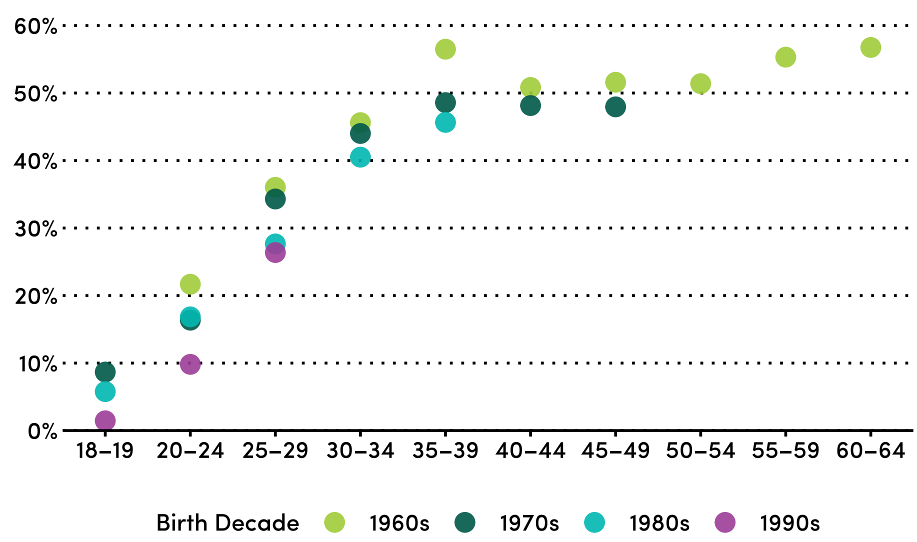
Note on interpretation: This graph can be understood in two primary ways. First, we can study headship trends over one's lifetime. For example, by focusing on the population born in the 1960s, we can see how the lime green dots trace out a curve of generally increasing headship as one gets older. The second way we can study this graph is by focusing on a specific age group. For example, individuals 20–24 years old had a headship rate of 22% if they were born in the 1960s, but only 10% if they were born in the 1990s.

In Napa Valley, headship rates may be affected by declining shares of the housing stock whose prices fall below $1,500 per month. As late as 2015, rental units between $1,000 and $1,499 formed the bulk of all rental units with a total stock of 5,000. Today, there are half as many units in that price range and nearly 2,000 additional units priced $2,000 to $2,999.[18] As a result, young adults may stay with parents longer, live with roommates, or dwell in semi-permanent situations such as couchsurfing or sleeping in cars.[19]

If we assume that younger adults (ages 20–29) born in the 1990s would have formed new households at the same rate as residents born in the 1960s did, then the number of younger

Figure 2. Observed Headship Rates by Age and Decade of Birth

Source: IPUMS USA and U.S. Census Bureau



adult households should have been 70% higher. Specifically, there are nearly 13,000 households that residents born in the 1990s would have formed but failed to, almost certainly due the inability to afford starting their own household. The Joint Center for Housing Studies at Harvard has estimated that a surge in new households in the coming decade will be driven by these young adults. Even holding for growth in the underlying population alone, "older millennials [are] now forming the households that had been delayed earlier in the decade."[20]

Napa Valley Needs 3,000 Ownership Opportunities for Households Who Delayed Homeowning

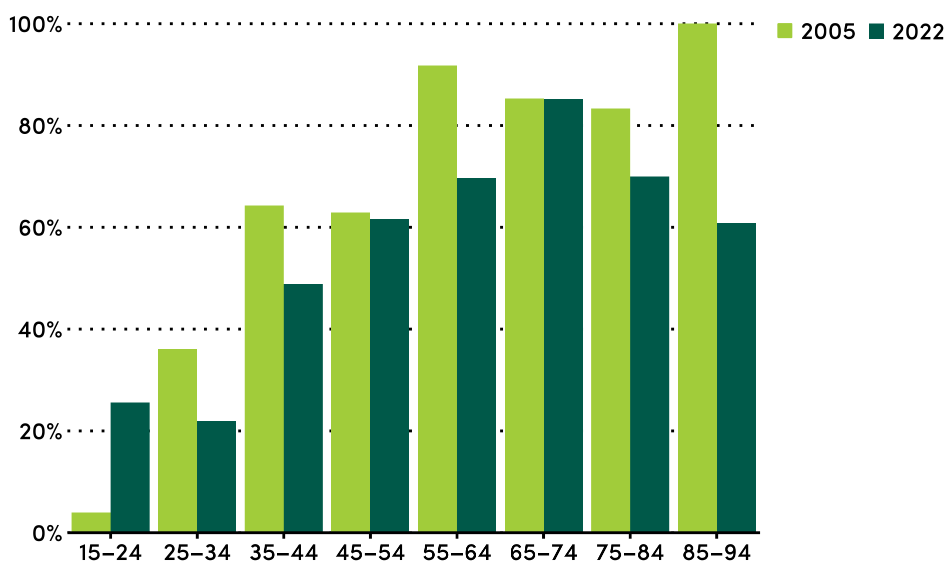
The high cost of housing can make it difficult for household formation in a subsequent manner — by limiting the number of residents who make the leap from renter to homeowner. Napa Valley has some of the highest homeownership rates in the Bay Area. But homeownership has gotten rarer for younger households in recent years. Figure 3 shows that between 2005 and 2022 rates of homeownership among young households dropped significantly for those between ages of 25 and 45. Households aged 25 to 34 saw a decline in homeownership rates from 36% to 22% while households aged 35 to 45 saw a similar 15 percentage point decline.

Napa Valley's home ownership lag includes slightly older groups as well, likely as a consequence of an earlier period of ownership stagnation. Napa Valley's home prices surged earlier than neighboring locales such that by 2010 its cities were outpacing other likely destinations for workers. By that year over half of all City of Napa residents had a home value that was 4 times their income — rates only reached in neighboring Fairfield, Vacaville, and Vallejo after 2020.[21] Residents in their mid-40s during this period may have delayed ownership, leading to lower rates of homeownership among today's 55- to 64-year-old households.[22]

Delays in homeownership are likely to contribute to future need. The Terner Center at UC Berkeley estimates that "had housing prices in California risen from 2000 to 2021 in line with those in the rest of the country, about half (48 percent) of California's decline in homeownership rate over the period could have been averted."[23] A similar adjustment to Napa Valley's home prices would likely see similar increases given the higher-than-average prices here.[24] If homeownership in Napa Valley were to reach levels consistent with 2005 rates, we would expect an across the board jump of 10 percentage points among all households up to age 65. This group of delayed homeowners include 3,000 households fewer than those in 2005 who will likely need home ownership opportunities in the near future.

Figure 3. Homeownership Rate by Age of Householder, 2005 vs. 2022

Source: IPUMS USA and U.S. Census Bureau



Napa Valley Needs Housing for 8,000 Missing Workforce Households

Napa Valley's workforce residents may face the greatest barrier to maintaining a household in the Valley. Figure 4 shows that since 2005, Napa Valley lost 8,000 households making less than $100,000.[25] This decline could be attributed to either out-migration among workforce residents or an inability among these residents to maintain an independent household, instead opting to co-share, return to living with families, or find roommates.

Large increases in rent and home costs (typically of $1,500 or more) such as those seen in Napa Valley have been shown to suppress "headship by lowering marriage and partnership rates, while simultaneously raising the fraction living with family members."[26] Staggering cost increases that outpace median pay increases may have led to households ultimately leaving the Valley.

The result is that households earning below $100,000 are far more underrepresented than they were 15 years ago (income is not adjusted for inflation since housing costs are a large component of Consumer Price Index calculations and adjustment would nullify the effect of rising housing costs). By contrast, higher earning households have become more prevalent and have found stability within the Valley. Napa Valley lies somewhere between Solano County, where household incomes have remained more stable, and San Francisco, which has seen the region's highest decline in low- and moderate-income households during this period.

Jobs and Income to Housing Need[27]

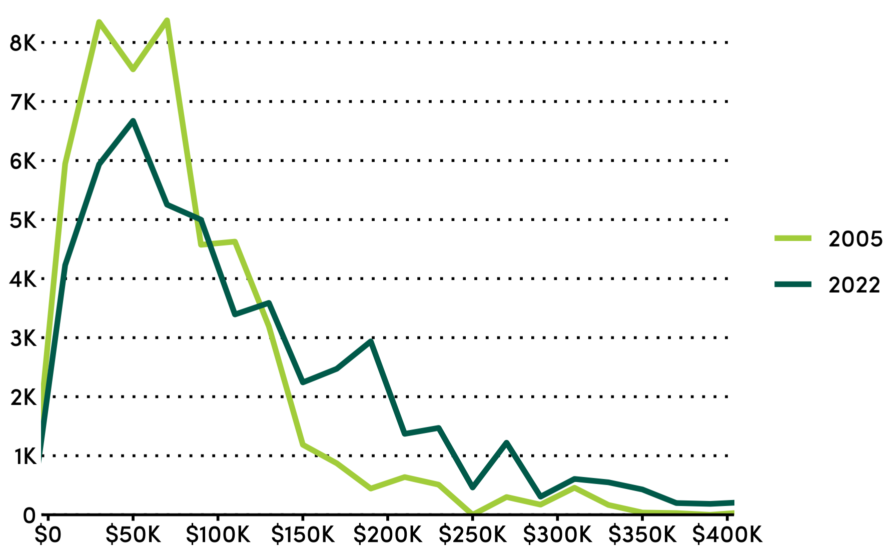
Napa Valley, like other amenity-rich destinations, depends more so than other Bay Area counties on the hospitality, agricultural, and manufacturing workforce to sustain the industries that are largely responsible for its economy. And like its peers that attract non-workforce residents seeking to take advantage of these amenities and natural beauty, the resulting rise in housing costs serving higher-earning residents threatens workforce housing, contributing to a limited local labor supply.

This same effect has been seen in resort towns like Colorado's Telluride, for example, whose tourism-centered workforce has been gradually displaced to locales such as Montrose, Colorado, a three-hour daily commute, as homes are converted to high end luxury units and second homes.[28] Sustaining these industries both supports its labor force and contributes to higher than average housing costs that reduces the very labor supply these industries depend on. Without action, the trends we note in this section will worsen.

The percentage of agricultural and production employment is higher in Napa Valley than other Bay Area locales,[29] meaning that it has a slightly different profile of income to home price ratios.

Figure 4. Distribution of Household Income, 2005 vs. 2022

Source: IPUMS USA and U.S. Census Bureau



Historically, home prices have more closely matched these industries. But as values have grown to match incomes among its regionally low out-commuter population, of whom the vast majority (nearly 75%) are high earners making above the AMI, home prices have increased to unaffordable levels for the region's moderate to below moderate workforce.[30]

Although not all wage earners in these core industries are moderate or below moderate earners, numerous interviews with child care employers, hospital caregivers, and industry sectors representatives summarized the critical role played by entry-level occupations within each of these sectors. Regional hospitals must attract caregivers and nurses' aides who support registered nurses but do not typically earn above $100,000. Schools rely on new teachers who are just starting out and are earning their degree simultaneously with a new role. Child care providers likewise depend on entry-level staff to fill core functions. These workforce participants, many of whom fill in-person roles, ensure the viability of Napa Valley's core sectors but do not earn enough to live within the Valley.

In this section we assess how Napa Valley must build for anticipated increases in hires in overwhelmingly lower level income occupations; second, it must serve the already existing need among workers who have decided to live outside of the Valley at rates far above regional peers.

Finally, we conduct a unique household income to housing costs assessment to determine whether current above moderate residents in Napa Valley occupy homes that might be affordable to moderate and even low-income households.

Napa Valley Will Need Homes for 3,500 Low- and Lower-Moderate Income Workers

Napa Valley's wine and tourism industry is so strong that it anticipates greater workforce demand in coming years, an upturn it has largely sustained since the second year of the pandemic. According to Caltrans, the rebound in these sectors outperformed expectations even in the early return-to-work stage of the pandemic. At the time, it predicted that "employment gains in 2021 will be largest in leisure services, which will recover 2,500 of the jobs that were lost in 2020."[31]

Table 2. Top 10 Industries in Napa Valley

Source: Lightcast

Industry (3-digit NAICS)	2022 Jobs	2028 Jobs	2022-2028 Change	2022-2028 % Change	Average Earnings	2028 Location Quotient
Beverage & Tobacco Product Manufacturing	12,555	13,061	506	4%	$103,867	75.22
Food Services & Drinking Places	6,929	8,270	1,340	19%	$46,704	1.30
Local Government	5,840	5,691	-149	-3	$115,010	0.81
Accommodation	4,022	4,955	932	23%	$58,316	5.27
State Government	3,980	4,091	110	3%	$114,537	1.55
Administrative & Support Services	3,435	3,437	2	0%	$55,664	0.66
Support Activities for Agriculture & Forestry	3,363	4,018	654	19%	$65,737	13.53
Social Assistance	3,018	3,685	667	22%	$39,931	1.39
Specialty Trade Contractors	2,896	2,911	16	1%	$87,991	0.95
Ambulatory Health Care Services	2,859	3,330	471	16%	$109,792	0.71

More recently, a new Lightcast study (Table 2) projects that Food Services and Drinking Places and Accommodation — industries with lower paying median wages — are "the industries expecting the highest growth in upcoming years, with a combined total of 2,272 new jobs by 2028."[32] Demand for these frontline roles could be so high that there will be worker shortages. But this may be driven by challenges hiring. Lightcast also finds that "eight of the top 10 occupations in Napa [Valley] earn median wages below $40,000 (and fall below $30,000 when adjusted for Napa [Valley]'s cost of living)." And because retail and hospitality employees are already "raising concerns about their long-term financial wellness and are looking for increased support from their employers," high housing may play a role in shrinking the available, local labor force.[33]

Sectors related to the wine industry with higher median wages, including Beverage Manufacturing ($103,867) and Support Activities for Agriculture ($65,737) which include specialists in crops and cultivation, will also increase, adding a combined 1,154 workers. Finally, the Valley will also add critical roles in the health care sector including moderate earners in Ambulatory and Health Services ($109,792).

4,100 Workforce Households Moved Out of Napa Valley

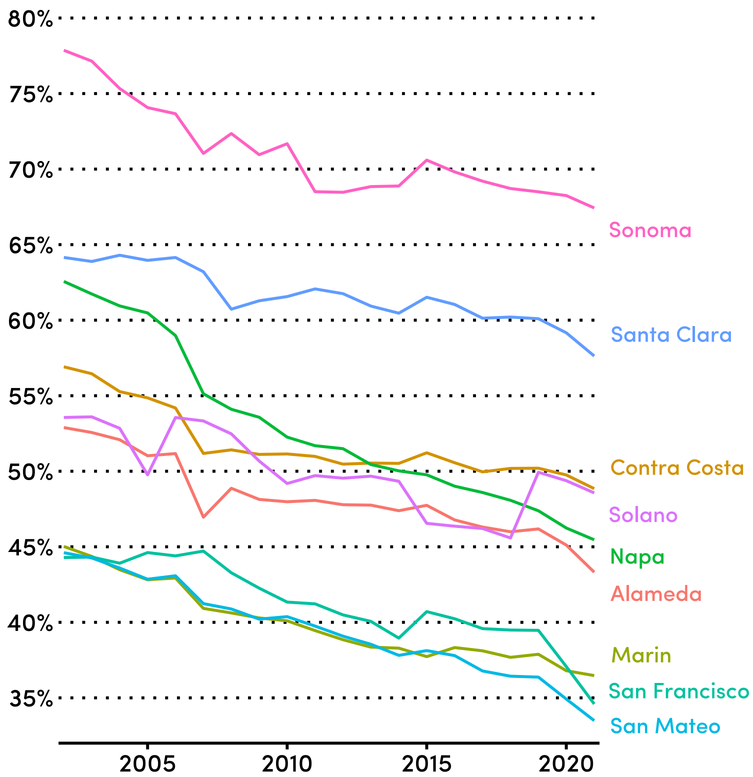
Napa Valley's hiring pool in key sectors is already depleted due to a growing share of out-of-Valley workers. Therefore, the total need for workforce housing must include a segment of the population that likely deferred household formation within Napa Valley to relocate to more affordable markets.

To adequately accommodate future need, the Valley must address this displaced workforce. Of course, estimating the number of households that would have stayed is difficult. Yet historical data on workforce households prior to the rise of housing costs can help set benchmark totals.

Napa Valley has seen the largest drop in in-county workers (Figure 5) — workers who live in the county they work in, as opposed to workers who do not live in the county they work in — among all Bay Area counties, seeing a roughly 17 percentage point drop in resident workers as a share of all

Figure 5. Percentage of Workers Who Reside In the County They Work In, 2002–2021

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics



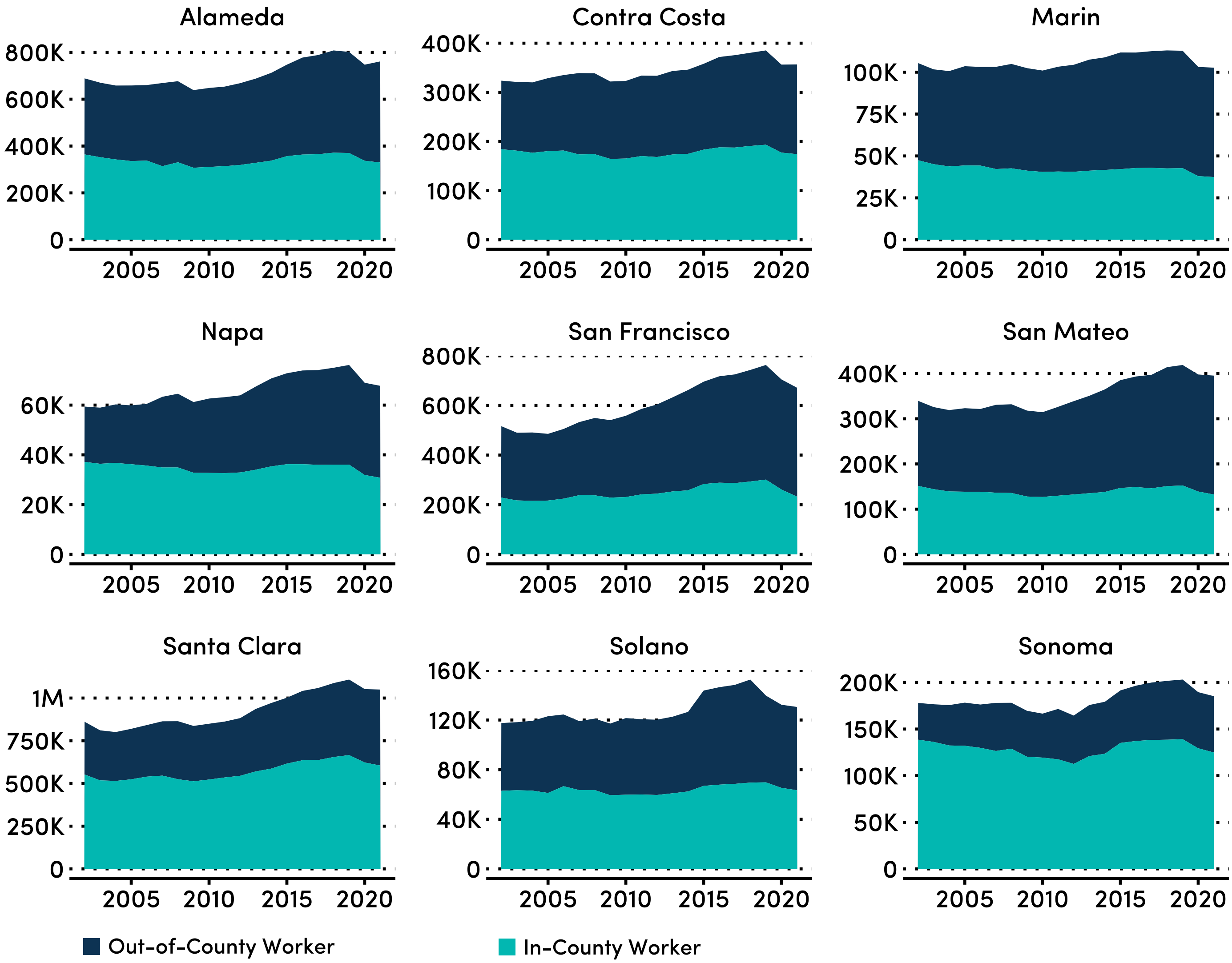
workers since 2002. The decline was steepest around 2006 and dropped below 50% for the first time around 2013. In other words, more than half of Napa Valley's workforce now lives outside of Napa Valley, in counties like Solano, Sonoma, and Contra Costa. Although Napa Valley began the millennium with the third highest share of in-county workers, it has now dropped below Contra Costa and Solano Counties and sits just above Alameda County.

This view of relocation data helps illustrate the total workers who now live outside of the Valley. Figure 6 shows that Napa Valley's out-of-county workforce has grown from roughly 20,000 workers in 2002 to 37,000 by 2021. The 18,000 person increase in out-of-county workers (or 90% increase) represents a sizable share of Napa Valley's total workforce increase, many of whom have sought more affordable housing. If the share of in-county workers had remained constant at 2002 rates (63% instead of today's 46%) we would expect to see closer to 25,500 out-of-county workers, or 11,500 fewer than today's total. Assuming a fixed person per household size of 2.8 members, this would mean an additional 4,100 households.

Our estimate for future need combines both the projected workforce increase with existing rates of relocation outside of the Valley. If Napa Valley adds around 4,500 new workers by 2028 with a rate of 56% who live outside the Valley, we expect the total

Figure 6. Total Workers Living In-County vs. Out-of-County, 2002–2021

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics



out-of-Valley workers to increase by 2,520 workers, reaching just above 40,500 out-of-Valley workers out of 72,500 total workers by 2028. If Napa Valley were to restore the rate of in-Valley workers to its 2002 levels of 63% instead of today's 44%, it would increase the total in-Valley workers by 2028 from 32,000 to 45,675 or an increase of roughly 13,000 workers.

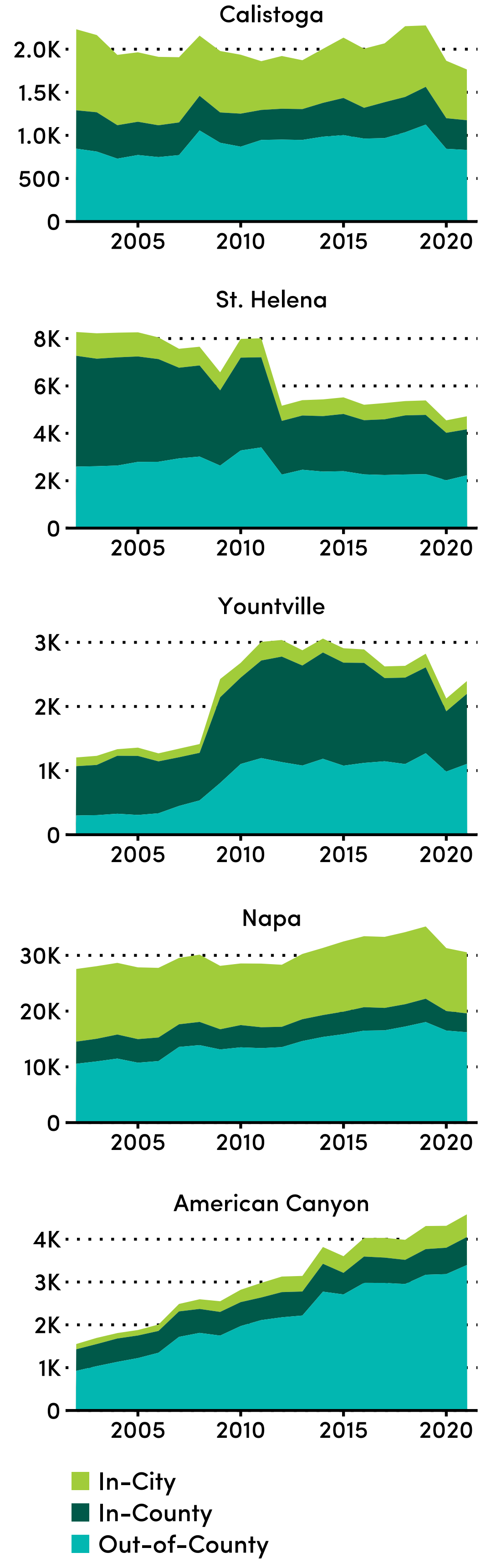
Figure 7 shows that outside of the City of Napa and Calistoga, very few of Napa Valley's workers reside in the city or town where they work. Most cities' share of workers residing outside of the city has remained relatively constant since the turn of the millennium, meaning very few new workers are able to find places to reside in the city where they work. The share of workers residing outside of each city has either grown or, in the case of American Canyon, comprise the vast majority of all new additions to the workforce. American Canyon, for example, has increased its job totals since 2002 from 1,500 to 4,200 workers, nearly 2,000 of which reside outside of the city and Valley. Nearly all of Yountville's new workers since 2010 reside outside of the city.

The City of Napa and Calistoga are exceptions but even in their cases the majority of their workforce resides outside of the city. Nearly 2 in 3 workers in the City of Napa live outside the city, the majority of whom live outside of Napa Valley. Calistoga has seen a consistent share of its workforce live outside of the town since 2002.

The need to offer modestly priced units for this workforce is even more critical as surrounding destinations grow costlier. In the prior two decades, Solano and Lake Counties have served as relief valves for Napa Valley's employers whose workers are able to remain in the workforce by living just outside of the Valley. This has in effect enabled Napa Valley's hiring pool to remain sustainable even as housing costs rise. But as the gap in affordability between these counties and Napa Valley's housing market closes, that pool may shrink. For example, Figure 8 demonstrates

Figure 7. Total Workers Living In-City, In-County, and Out-of-County for Napa Valley Cities

Source: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics



that Solano's share of rents that are affordable to median Napa Valley earners has shrunk at rates similar to that of Napa Valley itself in recent years. Total units priced from $1,000 to $1,499 have dropped from 19,000 to 9,000 between 2015 and 2022. There are now 27,000 units priced above $2,000, up from only 6,000 in 2015.

5,700 Units Affordable to Low- and Moderate-Income Households Are Occupied by Above Moderate-Income Owners

Napa Valley's supply of modestly priced rents and for-sale properties has declined, altering the distribution of homes and shrinking the supply of housing priced for workforce households. Whereas in 2010, 70% of all renters were paying below $1,500 in monthly rent — a range roughly affordable to those earning $60,000 a year — by 2022 that proportion had shrunk to 25% of all renters. Today, total renters paying just under $1,999 (affordable to those earning just below 80% AMI) has dropped to 28% of the rental population.[34]

Yet unlike counties where newer builds dominate workforce housing, Napa Valley has an existing stock of modestly priced homes that it developed to meet its agricultural and manufacturing jobs before the turn of the millennium. The problem is that these more modestly priced options tend to be occupied by higher earning households at significant rates.

Figure 9 shows that Napa Valley, like the other North Bay counties, sees the lowest share of residents paying more than 30% of their income towards housing among above moderate income households. But it also sees the highest regional rates of above moderate households who pay the lowest share of income towards housing, typically less than 20%. Above moderate households make up 41% of all households in Napa Valley, but make up 68% of all those paying less than 15% of income on housing, occupying homes whose values or prices may be suited to more moderate earners. One-third of above moderate households in Napa Valley pay under 10% of their income towards housing compared to 22% of above moderate earners in Solano County and 24% of above moderate earners in Sonoma County.

While a goal for most households should be to pay under 30% of their income on housing costs, this is unlikely when modestly priced homes are occupied by a region's highest earners. In addition, higher earners can manage cost-burden more easily. Thus, one goal of jurisdictions should be to ensure housing units are occupied by households whose incomes most closely match their cost. In Napa Valley, roughly 9,000 above moderate households (e.g. 1-person households earning over $108,000 annually or 4-person households earning over $155,000 annually) are paying under 15% of their income on housing costs. Many are occupying units that would be affordable for a moderate and lower-income household.

Figure 8. Distribution of Rental Costs in Solano County, 2008–2012 to 2018–2022

Source: U.S. Census Bureau

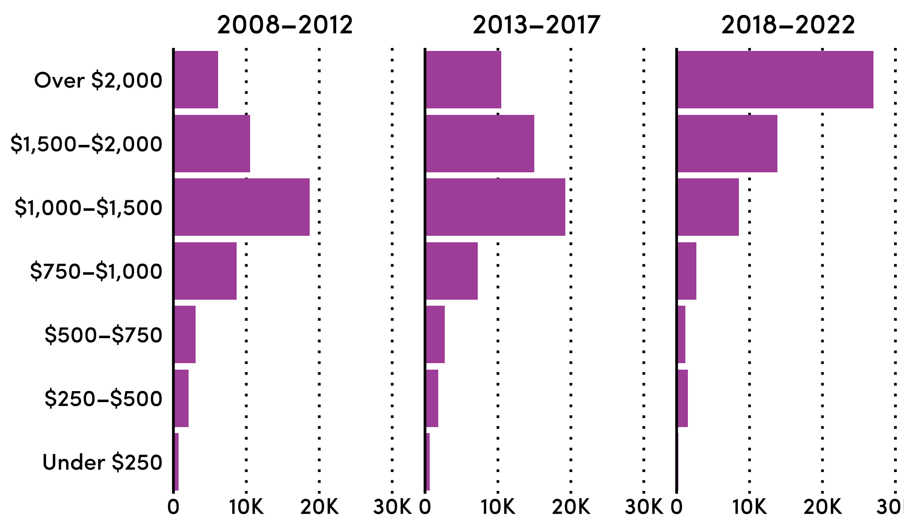


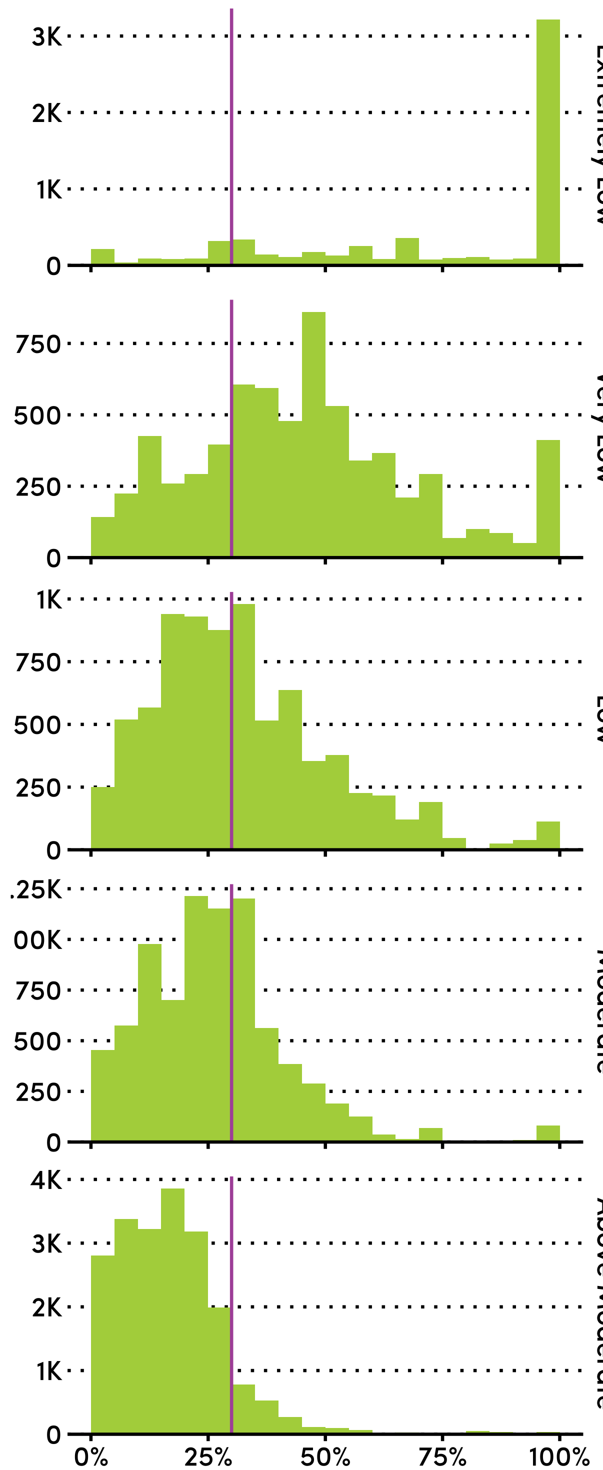
Figure 10 shows the costs of all units occupied by above moderate households who pay less than 30% of their income on housing (i.e. the underburdened). We find that roughly 5,700 above moderate earners paying under this 30% threshold (or 1 in 10 households in Napa Valley) occupy units that cost $2,000 or less per month. That price in monthly housing costs would be considered "affordable" (that is, under 30% of monthly income) to a 1-person moderate-income household or a 2-person low-income household. Currently, 38% of all moderate-income households are cost burdened and half of all low-income households are cost burdened. This represents 5,700 units whose modest price is more closely matched to moderate- and low-income households.

Exploring this relationship between income and housing cost in Napa Valley further, we find that earnings have little bearing on the cost of housing: you may make a lot, but the cost of your housing is not necessarily going to be higher. In Figure 11 we compare unit costs occupied by above moderate earners who pay 20% or less of their income towards housing to those occupied by moderate- and low-income households. The distribution is nearly mirrored. The total number of low income households who occupy units that cost $1,500 per month on housing matches the total number of above moderate households who occupy those same units. Nearly 1,800 units that cost $1,000 are occupied by above moderate households while 1,000 of those same units are occupied by moderate households. Fewer units that cost $500 are occupied by extremely low income households than by above moderate earners who earn nearly twice as much.

This misalignment interferes with the ability of a jurisdiction to utilize its assets to ensure its stock of modestly priced homes and rental units go to the people who they will have the biggest impact on. Yet because above moderate earners may lack options to upgrade or, in the case of older and wealthier households, to downsize, they may not free up homes that could be affordable to younger

Figure 9. Total Households by Income Level and Percentage of Income Spent on Housing

Source: IPUMS USA and U.S. Census Bureau



and more moderate earning households, keeping Napa Valley's comparatively affordable stock out of reach of its moderate and below moderate earners.

Housing and Pipeline Inventory

Napa Valley must utilize a combination of its existing assets in both the owner and rental class as well target its new permits to rectify what we identify are three serious deficits by housing typology: declining share of modestly priced homes for the workforce; insufficient supply of larger rental units for families as well as smaller ownership opportunities (such as condos) to serve as entry level ownership opportunities; and a greater supply of smaller units to help restore unit size as a salient tool in drawing down prices.

Constraints on the housing market in Napa Valley emerge from an overall shortage as well as the Valley's distribution of home prices, types, sizes, and tenure. In this section we assess the overall stock in order to identify primary needs; we then prioritize the types of projects in the existing pipeline that best meet gaps in the housing stock. While we recommend a dual approach that seeks to utilize Napa Valley's comparatively affordable ownership stock, our recommendations on pipeline projects recognize that building to the highest areas of need is not the only, or even the primary, way to correct past deficits. New builds are not always suited to correcting high prices, for example. "As building costs increase, a greater portion of construction occurs at the higher end of the market, despite greater demand for low-cost

Figure 10. Distribution of Monthly Housing Costs, Above Moderate Income Households Paying 30% of Income or More on Housing vs. Those Paying Less Than 30%

Source: IPUMS USA and U.S. Census Bureau

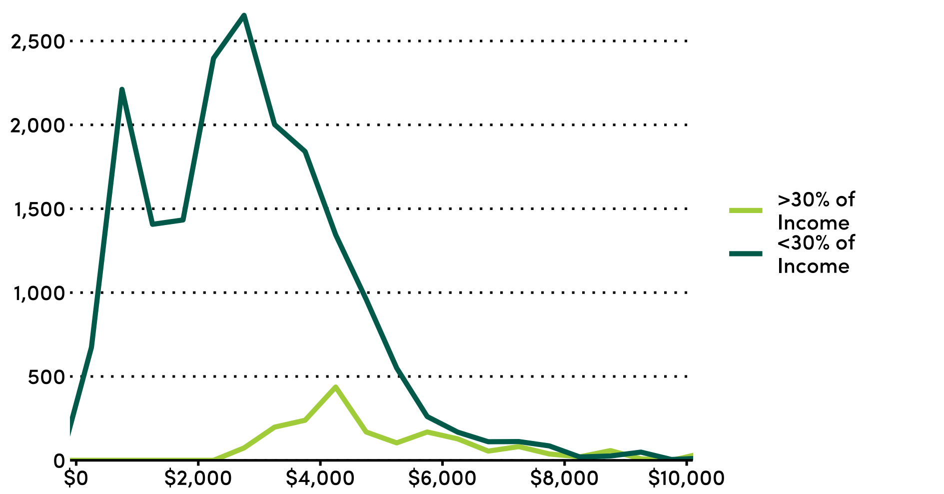
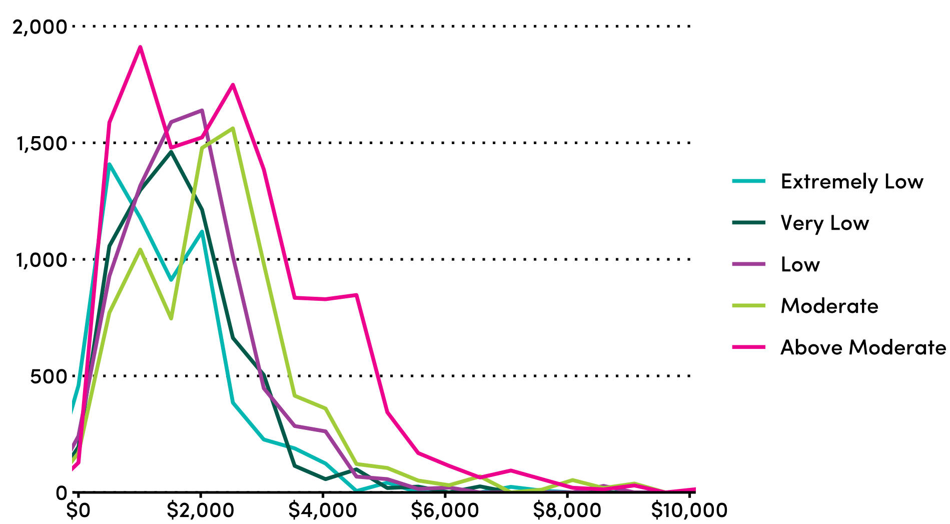


Figure 11. Distribution of Monthly Housing Costs, Above Moderate Households Paying 20% of Income or Less on Housing vs. All Other Households

Source: IPUMS USA and U.S. Census Bureau



homes. This mismatch disproportionately drives up housing costs at the lower end of the market, where demand significantly exceeds supply."[35]

Likewise, pricing in constrained markets is hard to predict, especially among assets with existing shortages such as 1-bedroom homes for sale or rent. Typically, the larger the home, the higher the cost. But in markets with severe shortages among smaller homes, prices for smaller units may be just as high as those slightly larger given the demand relative to supply.

Napa Valley Has Lost 6,000 Owner-Occupied Homes Affordable to Low- and Moderate-Income Households

The cost trends in Napa Valley are traceable across nearly every jurisdiction. Despite different production outputs, the number of owner-occupied and rental homes affordable to moderate and below households is shrinking. The region as a whole has seen its share of homes priced between \$300,000 to \$400,000 — i.e., those affordable to households earning approximately \$90,000 after a 20% down payment — decrease by one-fifth of its total stock since 2008-2012; likewise it has lost 2,000 homes valued between \$200,000 to \$300,000 in the same time. Those units would be affordable to households earning \$66,000 after a 20% down payment. The Valley as a whole has also lost two-thirds of its rental units priced \$750 to \$1,500 since 2008-2012. These would have been affordable to households earning between \$36,000 and \$54,000 (between 40-60% of Area Median Income).

American Canyon and the City of Napa, the two largest jurisdictions in the Valley, have seen the largest drops in these segments of their ownership stock. Figure 12 shows that American Canyon's 2,100 homes valued between \$200,000 and \$400,000 in the period 2008-2012 have dwindled to under 500 today. And in the slightly higher median market of the City of Napa total homes valued between \$300,000 and \$500,000 have dropped from just over 6,000 in 2008-2012 to under 1,500 today. Among the region's smaller towns, St. Helena has seen the biggest increase in its share of homes over \$1 million. They now comprise over 75% of all owner-occupied homes. Calistoga and Yountville, which had more even price distribution in the period 2008-2012, today see bifurcation of the market between luxury and low-income homes that are primarily mobile homes.

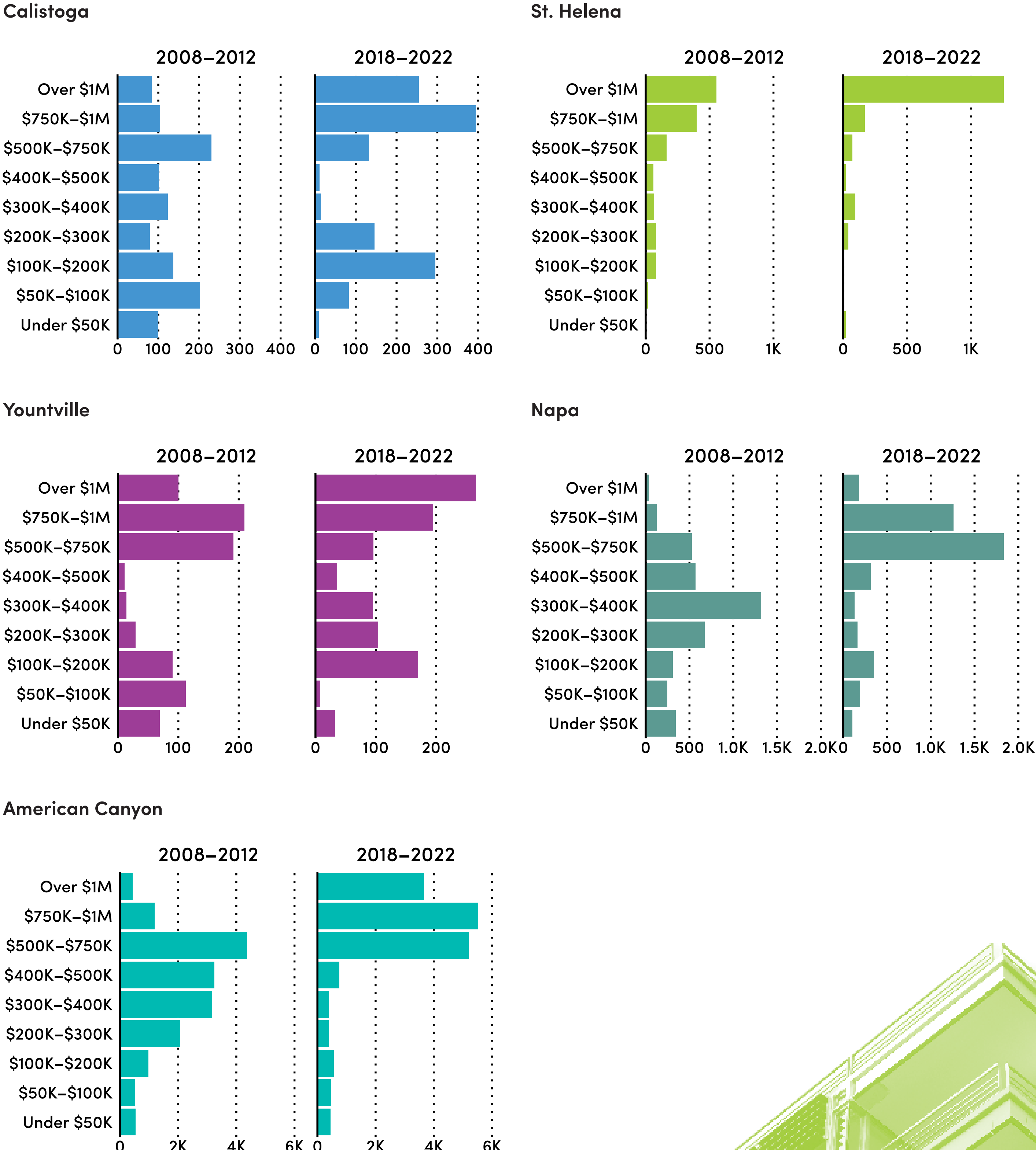
3,500 Large Units Currently Occupied by 1-Person Households Could Alleviate Overcrowding Among Lower Earners

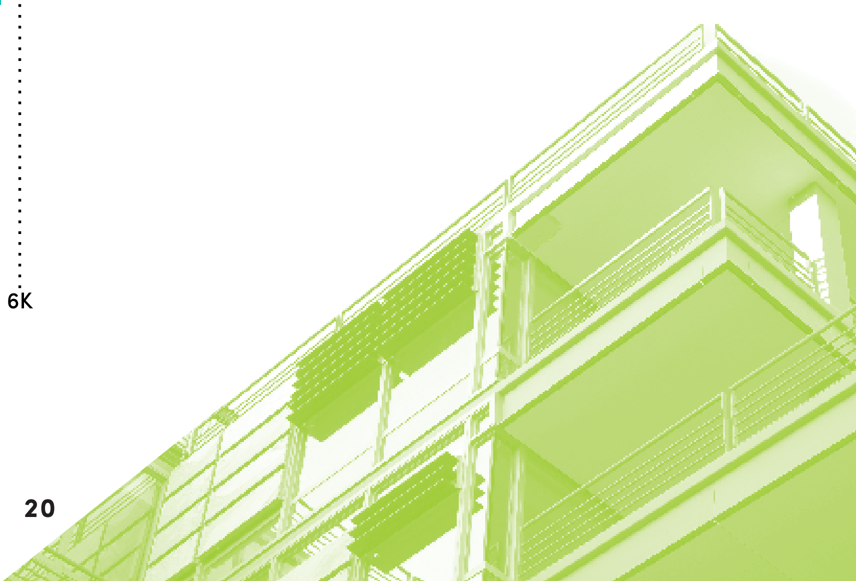
Napa Valley's largest stock of homes are sized at 3- and 4-bedrooms. Nearly 30,000 of its 55,000 units are 3-bedrooms or larger. These are well-suited for the Valley's 20,000 households with three or more people. Yet many of these larger units are occupied by smaller-sized households. For example, 10,900 of the Valley's 3-bedroom units are occupied by 2 or fewer residents. Because 2-person and smaller households are overwhelmingly above moderate earners, many lower income earners with larger families may be unable to occupy the larger homes they need. We estimate the Valley could free up 3,500 larger units currently occupied by 1-person households to help meet the need among several thousand moderate and below earners who are currently living in overcrowded conditions.[36]

We also find there are narrow options within tenure types, forcing larger families to own even if they cannot afford to. Two- to four-bedroom houses form the bulk of the housing stock, with only 7,500 housing units under 2-bedrooms. But the availability of larger sizes is even more limited if one is renting, meaning rentals are primarily available for smaller households.

Figure 12. Distribution of Home Values by City, 2008–2012 vs. 2018–2022

Source: U.S. Census Bureau





As shown in Figure 13, of the nearly 20,000 3-bedroom homes, 4 in 5 are owner-occupied as opposed to rentals, restricting rental options for larger families. The smaller the home, the more likely it is to be a rental unit.

At the other end of the spectrum, very few smaller units are for sale. Nearly all 1-bedroom units are for rent, meaning Napa Valley supplies very few condos or small homes to own. This has consequences for the options available for larger households like families: larger households are pushed to buy even if they cannot afford for-sale options. Because smaller for-sale homes are typically lower in cost, these could represent entry level or modestly priced options for younger households if they were built or freed up. In the following chart, we capture evidence for a sentiment expressed across qualitative interviews that it remains difficult to buy small or rent big within the Valley.

From the price and sizing charts across all North Bay counties (Figure 14), we note the following: Napa Valley's housing stock is across-the-board

Figure 13. Total Households by Tenure and Bedroom Count

Source: U.S. Census Bureau

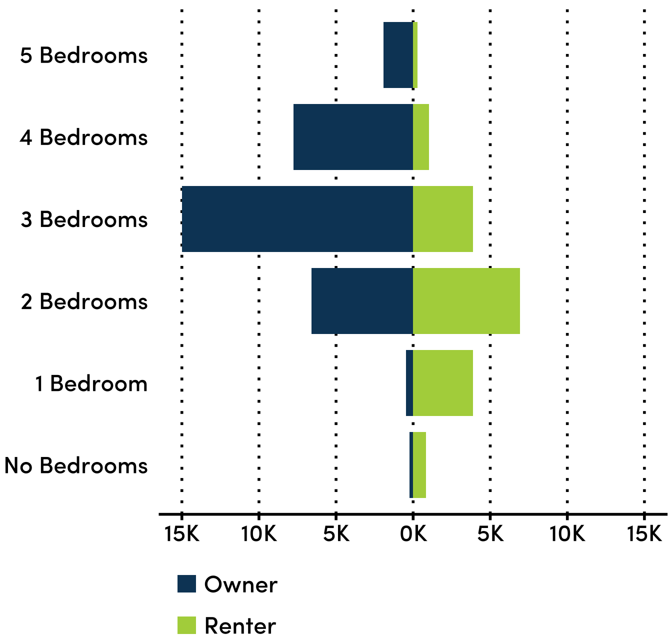
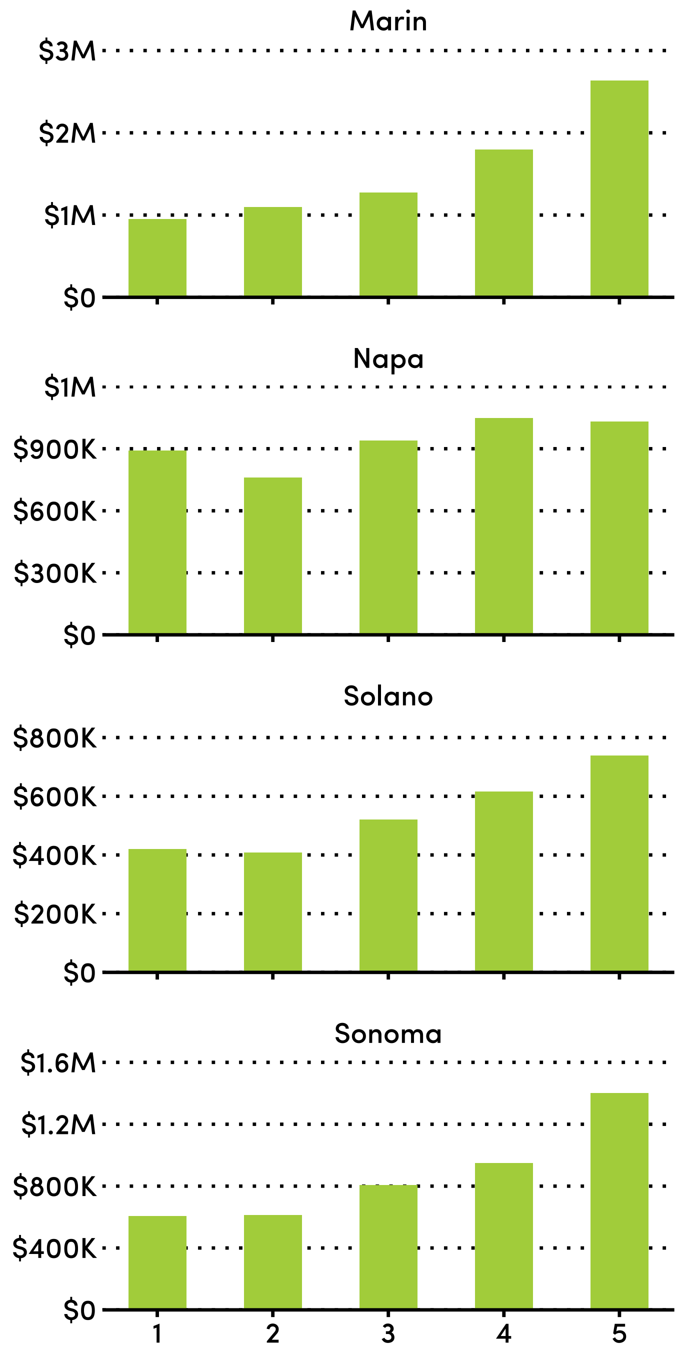


Figure 14. Home Value by Bedroom Count for the North Bay Counties

Source: IPUMS USA and U.S. Census Bureau

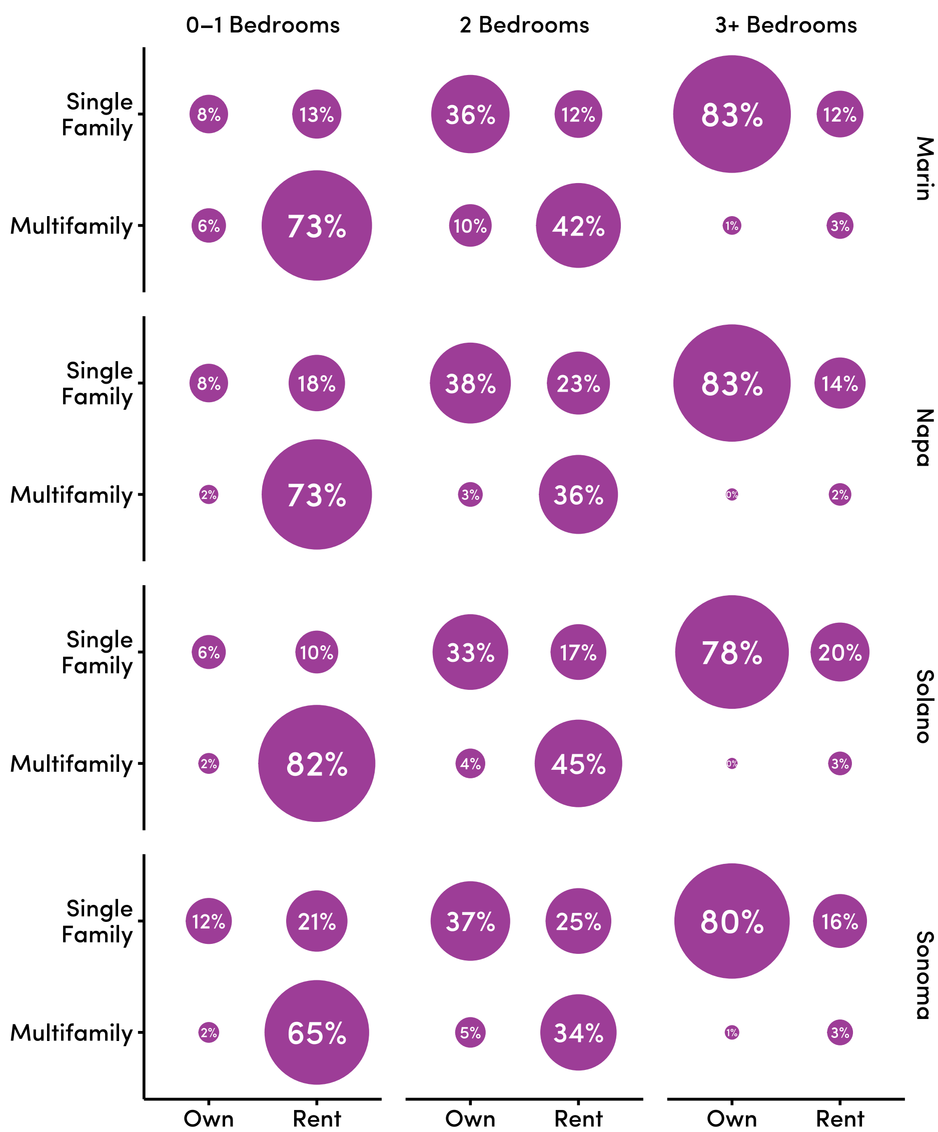


pricier for owning than it is in Solano County and Sonoma County, but this difference in price is especially notable for smaller ownership opportunities like 1- and 2- bedrooms where homes are typically half the price in Solano County and roughly $100,000 cheaper in Sonoma County. This could be because Napa Valley has a larger share of its 1- and 2-bedrooms within single family units rather than multifamily. For example, 25% of its 1-bedrooms to own or rent are in single family homes compared to 18% of Solano County's 1-bedrooms and 21% of Marin County's 1-bedrooms. Likewise, a full 60% of its 2-bedroom ownership or rental properties are located in costlier single family homes compared to just 48% of Solano County's 2-bedrooms and 49% of Marin County's. This has the risk of driving prices up for smaller households seeking entry level homes: a smaller share of its total 1- to 2-bedrooms are for sale than similar sizes in Marin County and Sonoma County.

Figure 15 shows that only 9% of all 0- to 1-bedroom homes are available for sale in Napa Valley compared to 14% of all 1-bedrooms in Marin County, so there are fewer small units for sale as apartments or condos, which are typically cheaper. Even more than that, nearly all for sale 1-bedrooms

Figure 15. Breakdown of Units by Bedroom Count and Type of Structure for the North Bay Counties

Source: IPUMS USA and U.S. Census Bureau



in Napa Valley are located in single family units, whereas Marin County's 1-bedrooms are more evenly split between single family and multifamily units. Yet if you need bigger home sizes for larger families, you are more likely to have to buy in Napa Valley than elsewhere: in total, 83% of its 3-or-more-bedroom homes are for sale, the highest rate in the North Bay. Only 16% of all 3-bedrooms can be rented in Napa Valley whereas in Solano County it is 23% or nearly 1 in 4 homes.

Unit Size Is Not Strongly Correlated with Affordability

Napa Valley's ability to regulate or control costs through smaller units — typically one lever jurisdictions can utilize to manage prices — is diminished by severe constraints on the availability of smaller units. In typical housing markets, stakeholders can use the size of units to manage costs, such as in regions where land values are high. This allows providers to reasonably reduce rents based on the features of the unit; it helps residents to have a choice in spending to match their budget; and it enables cities to utilize their entitlement authority to exercise some levers of cost control by facilitating or favoring smaller unit production.

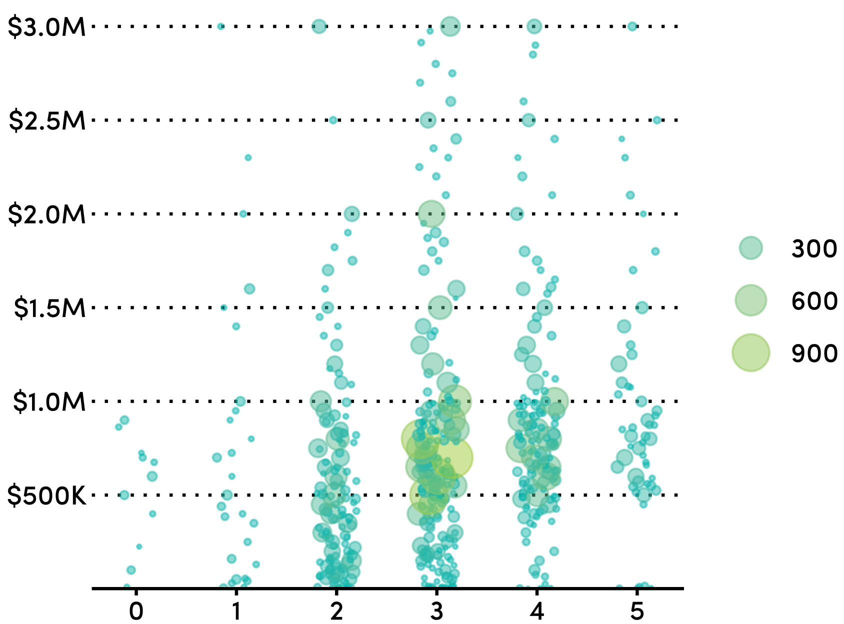
In Napa Valley and other highly constrained markets, however, the relationship between the size of a home and its cost is less predictable.

In Figure 16, we note the wide range of prices among similar sized bedroom types along with lower degrees of heterogeneity between units of different sizes. For example, 2-bedroom homes display a wider and less clustered degree of pricing while 3-bedroom homes "cluster" in price along a significant range of values. A large number of 3-bedroom homes cost significantly less than 2-bedroom homes and many cost the same as the average 4-bedroom home.

Constraints on the supply of homes, especially among owner-occupied units, make it less likely for size to dictate cost in the ownership market; and when demand for smaller units outpaces supply, some smaller units may cost just as much as, if not more than, slightly larger units. With demand rising for the limited annual supply, new prices for similar-sized homes may jump rapidly, inflating the range of costs for homes even accounting for location and amenities.

Figure 16. Total Housing Units by Price Point and Bedroom Count

Source: IPUMS USA and U.S. Census Bureau



Priority Pipeline Projects

Napa Valley's main goals must be to stem the flow of working age residents, households with children, and low- and moderate earners outside of the Valley. This means it must counter the loss of owner-occupied units priced at modest or entry-level ranges while at the same time adding more below AMI rental units sized for larger households to allow households with children to stay on the rental market and accumulate savings. New builds can play a role in increasing the diversity of stock at the lower end of the market primarily through deed-restricted affordability but new deed-restricted moderate-priced units will also help to free up lower-income units currently occupied by higher earners.[37] Preservation of deed-restricted units is also key to maintaining affordability for homes that would otherwise convert into market-rate housing.

The Valley's pipeline are those projects on sites with planned, pending, under review, approved, or under construction residential developments.

Exemplary Low-income Rental Housing Serving Larger Workforce Families

Unit Totals	Project Description (status of project pending permit or funding)	City / Town
88 Low Income	**Heritage House / Valle Verde** This project yields strong potential for its focus on smaller affordable units but not to the exclusion of larger units. 20 1-bedroom units and 58 studio units will be accompanied by 12 larger units which will be a mix of 2- and 3-bedroom units affordable to low-income families. The project will offer space for families, farmworker housing, and permanent supportive housing in one development.	**Napa**
11 Low Income	**SoCo Napa Apartments (formerly Pietro Place)** This infill residential project, completed in late 2023, provides a mix of 1- and 2-bedroom units for lower income residents and families with options for both rental and sale. It is located within walking distance of several schools, major groceries, and the Soscol Center Business Park.	**Napa**
122 Very Low, 62 Low Income	**Lemos Pointe** Three bedroom affordable units (up to 1,050 square feet) alongside smaller 400 square feet studios allow this development to serve larger families and single person households at below-market rates.	**American Canyon**
10 Very Low, Low- and Moderate Income	**951 & 963 Pope St. (In process)** This workforce housing project offers very low-, low- and moderate-income renters two-bedroom/one-bathroom units across several duplexes. The project will create a true "workforce village" for residents vital to the local workforce. The project is located within close walking distance of public transit, downtown businesses, a grocery store, schools, and parks.	**St. Helena**
76 Low Income	**Monarch Landing (In process)** Infill affordable housing will provide 77 one-, two-, three- and four-bedroom affordable apartments for local families and workforce households from Napa Valley Community Housing. The apartments are a combination of flats and townhomes with an additional assembly room, teaching kitchen, computer lab & outdoor play areas. Its location near amenities such as the South Napa Market Place and employers such as the Napa State Hospital and Napa Valley College will help the development serve workforce households.	**Napa**
24 Very Low, 37 Low Income	**1855 Lincoln Avenue Apartments** These 100% affordable units are priority residences for Calistoga workforce residents followed by those who live and work elsewhere in Napa Valley. The units consist of 38 one-bedroom units, 20 two-bedroom units, and 20 three-bedroom units in order to accommodate larger families as well.	**Calistoga**

Exemplary Moderate Income Housing Addressing Workforce Needs

Unit Totals	Project Description (status of project pending permit or funding)	City / Town
	Terrace Drive Subdivision A unique single family residential project priced for moderate income earners to provide entry level options.	**Napa**
49 Moderate Income	**Wine Train Housing (In process)** This workforce housing will serve employees of the dining and accommodation project by Noble House, as part of the city's efforts to pair employee housing with new hotels. The infill project will provide 35 studios, 14 one-bedroom apartments, four three-bedrooms and two four-bedrooms to accommodate both single and family-sized households. It is similar to two other workforce housing complexes — one for employees of a Jackson Hole, Wyoming resort.	**Napa**
408 Moderate Income	**Residence @ Napa Junction** This project will provide a massive injection of moderate priced multifamily rental units (including 46 units for households earning below 50% AMI) by creating a subdivision with landscaping and shared amenities. The development will prioritize walkability with its enhanced density.	**American Canyon**
16 Moderate Income	**HHS Site (In process)** 16 ownership units restricted to moderate income households bring needed inventory to a market typically dominated by rental property.	**Napa**
44 Moderate, 56 Low Income	**Napa Pipe (In process)** The Napa Pipe project is a proposed mixed-use neighborhood located on an 150-acre industrial property that will offer 44 moderate units along with 56 low-income units. Small block sizes along with a town center surrounded by restaurant, retail, and housing uses will allow for increased walkability.	**Napa**

Assessment of Site Inventory: Capacity to Accommodate Moderate and Below Moderate Housing

North Bay counties, and Napa Valley especially, face unique challenges identifying new sites on which to develop. Historically small towns bounded on most sides by strong agricultural preservation boundaries — and occasionally segmented by agriculture-zoned parcels within city limits — have scarce land other than the rural-urban boundaries on which to develop. This can exert strong pressure on city staff to identify infill sites — or sites that are proximate to existing residential or commercial development and/or sited on land that may currently be underutilized but is contiguous with existing development.[38] These may include parking lots, commercial lots that are no longer functional, open lots that have never been developed, and lots that are adjacent to the edges of a rural-urban boundary but still lie within a city's sphere of influence.

Even when potential sites are identified within the bounds established by strong agricultural preservation ordinances like Measure J, other barriers work against the conversion of parcels to uses like denser housing.[39] For example, while multifamily housing may be permissible in more than one zoning region, they are very rarely given by-right permission, meaning that lower density housing typically wins out where it is not explicitly prohibited. Height restrictions and floor area ratio guidelines further reduce the likelihood of hitting maximum densities.

In the following assessment of jurisdictions' Site Inventories as required by the state for inclusion in their 6th Cycle Housing Element, we find that cities are most successful when asserting zoning allowances that broaden the criteria for what counts as underutilized land. The reward for such an approach is an accumulation of sites that do not typically require new infrastructure, that contribute to density instead of urban sprawl, and that allow residents to be more centrally located near existing resources and transit options — all of which can be performed without rezoning. This may mean expanding the definition of what appear to be good candidates for infill development. St. Helena and Yountville, for example, have very little underutilized or vacant land that present as obvious sites for residential development. Yet, as we assess below, St. Helena officials have leveraged their foresight and policy authority to make judgments about whether current uses are satisfying need and identifying ways that zoning and land use can be repurposed to get more from sites for housing. This requires thinking beyond historical uses of land and reimagining sites as future homes for a new generation of families.

As we show in this section, jurisdictions are beginning to exhibit willingness to rethink zoning and current land use. The City of Napa and St. Helena in particular are proactively identifying sites and leveraging new laws, zoning authority, and additional land ownership incentives to conceive existing properties as sites for denser residential development. Yountville and Calistoga are using these tools albeit on fewer plots, and we encourage them to replicate successful repurposing actions to better prepare for the next eight years. Several cities are considering ownership models, including through churches, nonprofits, and acquisition of public lands, in order to offer discounted values to affordable housing developers.

Zoning reform, while not always necessary on land that is zoned for residential but not currently serving its full purpose, can also be an effective tool for opening up opportunities on land that may be deemed unfeasible for residential development. A recent study by California YIMBY found that if regions were to undo burdensome zoning restrictions on the majority of their sites, they would not only open up the potential for residential development but make space for land that, as they calculate, is already market-ready for housing.

In exploring what they call “conversion rates” among California’s counties, they find that, excluding protected farmlands, wetlands, and zones at high risk of fire, “the lowest conversion rates of housing development opportunities were found along the perimeter of the Bay Area and along the Central Coast” where zoning regulations remain major inhibitors of new, market-rate housing. As California YIMBY concludes, “both regions face enormous housing demand but have issued few housing development permits in recent Years. Examples include counties like Marin, Napa, Monterey, and Santa Barbara leaving areas with ample market-feasible housing opportunities untouched.”[40]

While we find that Napa Valley’s jurisdictions have begun to course-correct in recent years, running counter to some of the trends identified by California YIMBY’s estimations, we also conclude that the zoning measures that most prohibit new housing include growth management ordinances, historically restrictive emphases on single family zoning, and underuse of existing high-density zoning for low-density development.

We find that the jurisdictions’ site inventories reflect a wide array of strategies albeit unevenly deployed: cities are making effective use of infill sites located near their cores to site the majority of its moderate and below moderate housing but are

still missing opportunities to upzone underutilized lots that allow for denser housing. Several are tapping new laws to promote the reuse of existing sites dedicated to church and quasi-public facilities such as educational sites. But there remains much potential to acquire discounted land to offer heavy cost reductions to affordable developers.

This all-of-the-above approach to land use will be critical to meeting the significant increase in Napa Valley's state-mandated housing permits for the next eight years. The City of Napa will see a 219% increase over its required 835 homes last cycle; Calistoga and Yountville will both see over 300% increases; and St. Helena will see the largest increase, from 31 new permits last cycle to 256 this cycle. These numbers are historical departures and will require jurisdictions to think broadly in identifying both feasible space as well as locations that best serve residents. Additionally, the bulk of new permitting must address housing needs for Low and Very Low income residents, to which the state applies special scrutiny to ensure residents are well served by access to amenities and high value resources and are not located in environmentally risky sites or segregated in historically low-income neighborhoods.

With the exception of American Canyon, who will hit its RHNA obligations with projects that are already in their pipeline (see above), each town and city will depend on assessments of existing plots of land that are vacant or underutilized in order to meet their totals. To address these needs, each jurisdiction, in collaboration with property owners and developers, has identified potential sites for redevelopment or new development entirely.

Site Inventory

Sites & Plans for Development

Current & Future Land Use/Zoning: Parking into Housing

Jurisdictions Making Effective Use: City of Napa	The wholesale utilization of parcels and plots for parking, especially in downtown cores, is an artifact of high parking minimums on commercial and new residential construction that are a staple of every municipal code in the county. Eliminating costly and heavy-handed parking mandates is one approach to promoting better land use. But cities can also begin the conversion process of adapting underutilized parking lots into housing now. While some local merchants may raise concerns on the impact to local business, studies have found that travelers who used public transit or walked in downtown centers spent more on local businesses per month than those who traveled by car. **City of Napa:** With the need to develop close to its core in order to reduce sprawl, the City must get creative in identifying limited infill sites. The immediate area outside of its downtown is not dominated by parking as much as its regional peers, but some large parking sites remain that are within largely residential areas. The City is identifying some of its largest parcels devoted to parking that are suited for moderate and lower income development. A parking lot at 725 Coombs will become 30 Low Income units and the lot at 1752 Third St will become 27 moderate units. These will function well within existing residential land.

Sites & Plans for Development *(continued)*

Current & Future Land Use/Zoning: Church, religious site, or non-profit ownership and conversion to low- and moderate-income housing

Jurisdictions Making Effective Use:
City of Napa,
Yountville
St. Helena

The region is taking advantage of trending interest in developing residential capacity on church sites as well as exploring options to secure the purchase of lands by nonprofit developers. Both uses allow greater predictability and control over home prices. Religious institutions, empowered by the recently passed state law Affordable Housing on Faith Lands Act (SB 4), face fewer barriers to add or redevelop property for affordable housing and cities are attracting attention where zoning already allows for residential development. Close partnerships with these institutions and nonprofits allow a city to streamline its review process and offer land at discounted rates for affordable developers, easing feasibility for hard-to-pencil units. Even if no rezoning is needed, cities can facilitate the transfer of ownership to nonprofits or religious institutions and work with by-right approval options, as long as homes are consistent with all objective building standards.

City of Napa:
The first site, located at the Crosswalk Community Church at 2590 First Street, has been identified after interest by the church to develop underutilized land rather than redeveloping the existing structures. The size of the lot is estimated to provide for 50 Low Income units. The second, a much smaller site currently inhabited by the Napa Valley Korean SDA Church, in the largely residential area on Highland Drive, has been identified as underutilized. Although zoned for single family development, the site has been identified as accommodating redevelopment, upping the density to include 24 moderate income units.

Yountville:
Yountville has engaged in discussions over its Site 2 at 6406 Washington Street owned by the Diocese of Santa Rosa and affordable developers. The Church has been open to the idea of an affordable housing project on the land at the southern edge of the Town's border currently used as agricultural space. Santa Rosa-based Burbank Housing is seeking to take advantage of SB4 to develop a site that, while not central, is located near the 10 bus route.

St. Helena:
St. Helena has pursued several options to transfer purchase of land to nonprofit developers to better guarantee that sites are likely to yield affordable housing. The City's Site 5 on Main St. between Mills Lane and Dowdell Lane, currently a service commercial zone along a prime corridor, has been secured by a local affordable housing non-profit with an exclusive option to purchase the property to develop affordable housing. The proposal emerges from a unique, City-approved development agreement with the Farmstead Hotel to add affordable housing units as part of its development.

Sites & Plans for Development *(continued)*

Current & Future Land Use/Zoning:
Adaptive reuse of public and quasi-public sites

Jurisdictions Making Effective Use:
City of Napa,
St. Helena

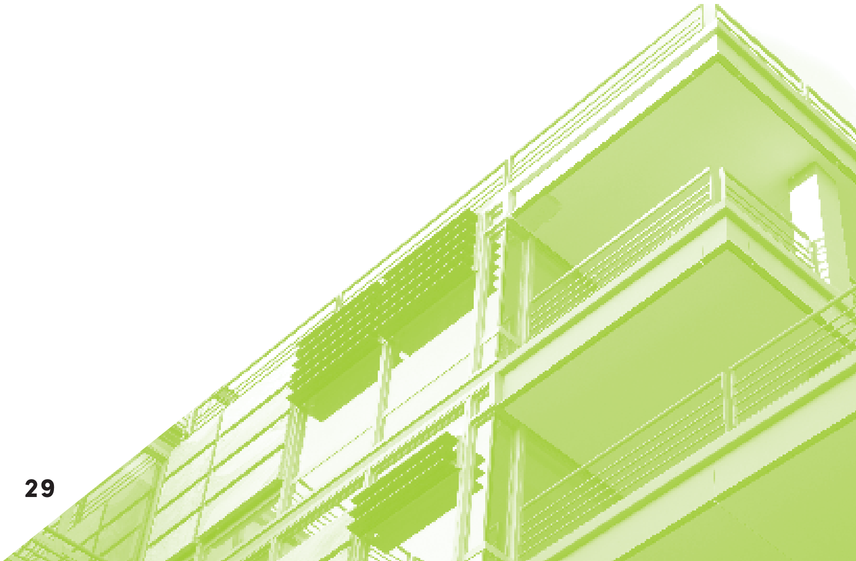
Jurisdictions with Opportunity to Implement:
Calistoga

In cities with high housing costs where the cost of land plays a significant role in driving up prices, jurisdictions are incentivized to look for discounted land. Public lands with facilities like schools, libraries, police or fire stations, or community centers can provide that opportunity because they can be acquired at discounted prices. And because California law requires local agencies disposing of surplus public land to give first priority to affordable housing, public land is prime for serving these types of projects. The discounted rates reduce development costs significantly for these hard-to-finance assets. Jurisdictions can either co-locate housing next to existing uses or sell to developers for affordable housing.[41]

City of Napa:
School districts typically own large parcels of land within urban areas. Located within residential zones and built out with amenities such as ball fields, gymnasium, and pools, they offer opportunities for housing that is dense and highly resourced. In the City of Napa, the community has been highly involved in converting the former Harvest Middle School into low-income housing while preserving several of its amenities for the community. The highest and best use for the campus at 2449 Old Sonoma Road was determined to be for residential development at forums hosted by the Napa Valley Unified School District. The school district is working with some potential buyers to buy and develop a large portion into residential units.

St. Helena:
St. Helena is exploring the conversion of several sites to housing. Site 1 at 1480 Main Street has infill residential potential along with access to amenities. Currently owned by the St. Helena Fire Department, the vacant components of the site could be redeveloped into a modest 6 units. The proposed plan is exemplary of converting available space, even if small, into housing. Likewise, its Site 3 on Adams Street, while not on public land, contains 1.3 acres that could be dedicated to shared use between affordable housing and other public facilities such as a new City Hall and Police station. This represents a creative rethinking of available land not simply for housing but for dual purposes that still benefits residents.

Calistoga:
Calistoga has two significant-sized public land uses to its south and north-central neighborhoods. The south lot, adjoining Washington Street, is underutilized while the northern lot shared by the Calistoga Speedway, arts center, and a golf course may offer co-location opportunities next to existing uses. Although not public land, Calistoga can also investigate opportunities to acquire, redevelop, or otherwise designate the disused airport commercial land towards the south of the city.



Sites & Plans for Development *(continued)*

Current & Future Land Use/Zoning:
Infill on large, underutilized lots requiring change to zoning or land use

Jurisdictions Making Effective Use:
City of Napa, Yountville, Napa County

Jurisdictions with Opportunity to Implement:
Calistoga

The identification of larger lots for conversion is harder than smaller ones due to overlapping zoning requirements and the difficulty in establishing contiguous land usage. In addition, smaller towns typically do not have larger, contiguous sites to utilize. Yet when they do, they remain some of the best options for more aggressive reuse and planning.

City of Napa:
The City of Napa is thinking big in this regard by eyeing sites beyond small zoned lots to create dense, centralized areas of housing in some cases near or next to commercial property. Taking advantage of major corridors that will afford ease of travel and proximity to transit routes as well as proximity to commercial amenities will help absorb these units without adding longer vehicle miles traveled to the immediate surroundings.

Big areas of vacant land such as those located at the north end of Hartle Court and the adjoining properties at West Imola Ave and Gasser Drive have been identified as prime candidates for large numbers of Low Income housing units. The north end of Hartle Court (125 Low income units) combined with W. Imola Avenue sites including 950 W. Imola (56 LI units) and 1801 Imola (17 LI units) make use of a great open space that is also adjacent to amenities including grocery stores and commercial development. The region should effectively accommodate the roughly 200 units given the high number of stores located nearby.

Infill comes in other forms including underutilized lots currently used for agricultural purposes. The lot at El Centro Ave and Via La Paz near Salvador is a vacant vineyard and potentially prime residential. The site allows for 4,000 square foot lots for single family infill but this plan will see it converted to 73 moderate income units of medium residential density.

Napa County:
The County must find ways to convert mostly rural unincorporated land into higher density housing. The County has identified at least two, large underutilized areas for housing to meet demand. 10 acres at Spanish Flat at Lake Berryessa could be converted to 100 units of low-income housing. The housing will accompany growth in resorts near Lake Berryessa and the site will accommodate subsequent demand for housing in the region. Five acres south of the City of Napa along Foster Road also has the potential to be converted to 100 low-income housing units, making use of space within the City's rural-urban limit. The site has historically been used for agricultural purposes but such uses are no longer intensive and the site holds promise for housing that may eventually be annexed by the City itself.

Yountville:
Yountville's Site 1 at Washington and Webber Streets is currently used as a vegetable garden for the restaurant French Laundry and remains one of the larger available lots suited for redevelopment. The site includes a specific requirement that 13 affordable units must be developed as a part of the approved Inn (hotel) to serve local accommodation and food serving staff.

Calistoga:
Compared to Napa Valley's smaller cities and towns, Calistoga has the most underutilized or vacant space, much of which is located along key corridors like Lincoln Avenue that are zoned for Community Commercial or at the southern and northern ends of its borders that are zoned for rural residential. The City will be using its Sites B-E off the Lincoln Avenue Corridor for several low income developments.But large portions of rural residential remain untapped, including on land adjacent to existing residential. These do not include public or quasi-public land, meaning they will require negotiation and inquiries into interest with owners.

Sites & Plans for Development *(continued)*

Current & Future Land Use/Zoning: Upzoning from Single Family to Multifamily

Jurisdictions Making Effective Use:
City of Napa,
St. Helena

Jurisdictions with Opportunity to Implement:
Calistoga,
Yountville

Cities and towns with strong agricultural preservation boundaries and limited infill on vacant or underutilized parcels must instead turn to upzoning — or the process of increasing allowable density on sites zoned for low-density uses (like single family residential) or sites zoned for denser housing but currently used for low density purposes.

City of Napa:
The City is exploring some current single family infill for conversion to slightly denser moderate units. But these are limited. 746 La Homa Drive, a 1.5-acre parcel zoned for multifamily residences but currently used for single family, will be converted to 47 Low income units. 1620 & 1623 Silverado Trail, two lots of single family infill, will be converted to 20 and 17 Low income units, respectively. The City may seek more opportunities like these to see immense return on density and taxable value per acre.

St. Helena:
With very few vacant lots, St. Helena is leaning into existing residential zones that have not maximized their use. St. Helena has very little land zoned for low density. But like so many cities in the Bay Area, much of the land use on these parcels is by single family homes. St. Helena is taking steps to correct this historical over-abundance of single family homes through land use upgrades on existing high density residential plots that are underutilized or in use for alternative purposes. Site 7 at 821 Pope Street site is underutilized High Density Residential with one existing single-family residence and large undeveloped areas on-site with a capacity for 20 low- and moderate income units. The city is also planning to accommodate a requested upgrade at Site 11 (1637 Spring St.) to double the number of housing units through a change to the land use designation. Finally, Sites 10 at Spring St. between Hudson Ave. and Valley View St. and Site 8 at 882 and 886 College Avenue are considered underutilized as they have residential land use designations but are currently used as vineyards and other agricultural purposes. Focus Groups showed interest in High Density Residential uses on this residentially zoned parcel in the form of townhomes, which is compatible with the surrounding residential neighborhoods.

Calistoga:
In places like Calistoga, efforts to limit the development of single family homes as the dominant housing type have been less successful: although single family detached homes are not permitted in most of the higher density districts, they typically beat out multifamily rental housing which is only permitted by right in the R-3 zoning districts. At the same time, the City's growth management systems have historically prevented much new buildout, although under SB 330 the Growth Management System has been removed from the Housing Element.

Yountville:
Yountville likewise allows multifamily development in multiple parts of the Town but, as its Housing Element found, design restrictions have likely acted as constraints on their development — hastening the need for more assertive land use conversions. For example, all multifamily projects and duplexes are subject to two stories maximum. This, along with the maximum FAR standard in the RM-2 zone, were found to "constrain the size of units that could be developed."

Closing

Napa Valley's housing needs are urgent and unique. The Valley not only needs to correct for decades of low housing production, but to do so in the wake of skyrocketing housing demand driven by the growth of its strong winemaking and hospitality industries. While this growth has been a boon for the region's economy, it has pushed out many of the workers that make it all possible — farmworkers, hospitality staff, healthcare providers, educators, and so on. As Napa Valley ramps up its efforts to address housing undersupply and unaffordability, it also needs to ensure it builds a diversity of housing options that cover the entire spectrum of need: starter homes for younger adults, homes near employment for workers and commuters, larger homes for families with children, affordable homes for low- and middle-income households, and ownership opportunities for renters. Oftentimes, these are the same individuals and households, meaning that building for one group serves all groups.

Jurisdictions recognize this need and have already taken steps to meet the challenge, but more can and must be done. Current pipeline projects are heartening, but most jurisdictions will need to keep or increase their pace of housing production just to meet their RHNA minimums. And from there, they must consider what kind of additional production is required to address Napa Valley's true housing need. Fortunately, opportunities for development abound, as evidenced by the review of each jurisdiction's site inventory. This is in spite of the Valley's strong agricultural preservation boundaries, which, instead of being viewed as an obstacle to growth, is better understood as guidance: when facing a housing shortage, the best way out is up. With clear-eyed policy-making and broad support from constituents, Napa Valley can build enough housing for the workers and residents that sustain its economy and community, without sacrificing the natural beauty that defines it.

For further reading on housing need and production, please consult the 6th Cycle Housing Elements (2023–2031) for each jurisdiction below:

- American Canyon
- Calistoga
- City of Napa
- County of Napa
- St. Helena
- Yountville

Endnotes

1 Bay Area Council Economic Institute (April 2019). City of Napa Economic Development Action Strategy. p.3.

2 Housing and Urban Development Office of Policy Development and Research (June 2020). Impacts of Filtering and Rent Control on Housing Supply. "Upward filtering" happens when "supply inelasticity — because of limited or costly land, regulatory barriers, and demand factors such as desirable amenities — and employment opportunities that attract more educated, higher-income workers drive upward filtering and gentrification."

3 Compass (April 2024). Napa County Real Estate April 2024 Report. The 1990 median home price of nearly $182,000 has seen a 30 year increase of 399% to now $910,000.

4 Caltrans (2021). Napa County Economic Forecast. p.7.

5 Headwaters Economics (May 2023). Amenity Trap: How high-amenity communities can avoid being loved to death.

6 Cunha, António Manuel and Júlio Lobão (August 2021). The effects of tourism on housing prices: applying a difference-in-differences methodology to the Portuguese market.

7 Josip Mikulić, et al. (Sept 2021). The effect of tourism activity on housing affordability in Annals of Tourism Research.

8 Office for National Statistics (Sept 2021). House prices in tourist hotspots increasingly out of reach for young and low paid. See also BAM (Dec 2022) Top 10 Markets for Luxury Second Homes which finds "the luxury real estate market is still in a league of its own.

9 Travel Weekly (October 2022): Tourism's Housing Crunch: A shortage of affordable housing is making it difficult for workers in tourism-dependent communities to find places to live.

10 Bay Area Equity Atlas. Housing burden: Nine-County Bay Area vs. Napa County, CA, 2000-2020

11 Ibid.

12 Headwaters Economics (May 2023). Amenity Trap: How high-amenity communities can avoid being loved to death.

13 Lightcast (April 2023). Workforce Alliance of the North Bay: Labor Market Analysis & Strategy. p.13.

14 Generation Housing analysis of U.S. Census data.

15 Landis, John D. and Michael Reilly (2003). How We Will Grow: Baseline Projections of the Growth of California's Urban Footprint through the Year 2100. Citing California Dept of Finance projections from 2000.

16 The significant miscalculation of most population forecasts for California prior to 2005 points in part to the unexpected unaffordability of housing and its impact on net population migration.

17 Urban Institute (2021). The Future of Headship and Homeownership

18 Generation Housing (2024). Napa Valley State of Housing Report. p.25.

19 Center for California Real Estate (2022). Who Gets to Call California Home?. For example, studies have shown that in California, 76.9% of total rental households are formed between ages of 20–29, yet the state lags behind the U.S. as a whole in terms of when renter formation peaks.

20 Joint Center for Housing Studies (2023). The Surge in Household Growth and What It Suggests About the Future of Housing Demand.

21 Generation Housing analysis of U.S. Census data: "Financial characteristics of housing units with a mortgage".

22 Napa Valley Features (2023). The Napa Valley needs a reality check. According to estimations, the median home cost of $900k with a presumed 20% down payment of $180,000 would consume nearly 85% of the monthly salary of Napa Valley's median earners, making it nearly impossible for many residents on these incomes to consider a home purchase.

23 Terner Center for Housing Innovation (May 2023). The First Step Is The Hardest: California's Sliding Homeownership Ladder, p.19.

24 As of 2023, according to Zillow, the average home value in Napa County had surged to $903,189, up from around $550,000 in 2015, a 40% increase.

25 Following other major assessments of housing to income ratios, please note that income figures in the following analysis are not inflation adjusted. This is because typical inflation adjustments use housing as a major component of ongoing Consumer Price Index calculations. If income is inflation adjusted to include housing costs, the enormous impact that housing has on income distribution would be eliminated from the analysis.

26 Federal Reserve Board (April 2013). The Long and the Short of Household Formation.

27 The calculations in this section seek to improve on limitations in the standard jobs-to-housing ratio assessment utilized by organizations such as ABAG to determine housing need. For example, in ABAG's assessment, Napa County has more low-wage jobs than low-wage residents, where low-wage refers to jobs paying less than $25,000 per year. The county also has more high-wage residents than high-wage jobs, where high-wage refers to jobs paying more than $75,000 per year. However, more than one-person households who earn just above $75,000 are actually designated as Low Income earners by state AMI standards and thus, in some instances, eligible for deed-restricted affordable housing. This means that ABAG's criteria for low-wage earners risks undercounting affordable housing need. We seek to correct this in order to offer a full picture of need in Napa County.

28 High Country News (May 2023). Western resort towns risk being 'loved to death'.

29 Bay Area Council Economic Institute (April 2019). City of Napa Economic Development Action Strategy.

30 Ibid.

31 Caltrans (2021). Napa County Economic Forecast. p.1.

32 Lightcast (April 2023). Workforce Alliance of the North Bay: Labor Market Analysis & Strategy. p.8.

33 Ibid., p.10.

34 Generation Housing analysis of U.S. Census data: "Contract rents, 2015–2022".

35 Urban Institute (2018). Four ways today's high home prices affect the larger economy.

36 Generation Housing (2024). Napa Valley State of Housing report, p.30.

37 Federal Reserve of Minneapolis (March 2024). How new apartments create opportunities for all. "New units help keep current prices down for everyone by opening up new opportunities for low- and moderate-income renters over a few short years through a chain of residential moves."

38 Planetizen. What is Infill Development? See this for a helpful description of infill development.

39 Measure J, adopted by Napa County voters in the late 1990s, requires voter approval for any reclassification or subdivision of agricultural land, though it may currently conflict with state SB 330 law.

40 California YIMBY Education Fund (2023). Housing Underproduction in California. They estimate a "conversion rate" for each city and county that compares historical rates of housing permitting to potential market-feasible housing development opportunities, assuming no limitations due to zoning.

41 Home for All San Mateo. Public Land For Affordable Housing.

Appendix: Data Sources

United States Census Bureau

The United States Census Bureau conducts censuses and surveys on the American people and economy, including the U.S. decennial census and the American Community Survey. We use data from the Census surveys and programs listed below.

American Community Survey (ACS: The American Community Survey is a regular demographic survey of American households that began in 2005. We primarily use the 2018–2022 ACS 5-Year estimates, at both the county and jurisdictional level, but we also rely on ACS 1-Year estimates and ACS 5-Year estimates from earlier time periods.

Decennial Census: The U.S. decennial census is the constitutionally mandated census of all Americans conducted every decade, most recently in 2020. We use data from the 2000, 2010, and 2020 census.

Longitudinal Employer-Household Dynamics (LEHD: The Longitudinal Employer-Household Dynamics program collects detailed data on employers and employees at various geographic levels and across different job sectors. We specifically use LEHD Origin-Destination Employment Statistics data from 2002–2021 about jobs and workers located within Napa County.

Population Estimates Program: The Population Estimates Program produces population and housing unit estimates for regions and jurisdictions of different sizes across the United States. We use decennial totals and intercensal estimates for population and housing units for the years 2010–2022.

IPUMS USA

IPUMS is a census and survey database produced by the Institute for Social Research and Data Innovation at the University of Minnesota that integrates various census data across both time and space. IPUMS USA is an IPUMS program that collects and harmonizes United States census microdata, or information on individual census respondents. We use sample microdata from the 2018–2022 ACS 5-Year and from the 2005 to 2022 ACS 1-Year.

Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rodgers, and Megan Schouweiler. IPUMS USA: Version 15.0 [dataset]. Minneapolis, MN: IPUMS, 2024. https://doi.org/10.18128/D010.V15.0

U.S. Department of Housing and Urban Development

Building Permits Database: The U.S. Department of Housing and Urban Development collects data on privately owned residential construction and stores it in their Building Permits Database. We use annual data on permit-issuing entities in Napa County for the years 1980–2023.

Annual Homeless Assessment Report: This report outlines the key findings of annual Point-In-Time (PIT) counts and Housing Inventory Count (HIC) nationwide. Specifically, it provides national, state, and CoC-level PIT and HIC estimates of homelessness, as well as estimates of chronically homeless persons, homeless veterans, and homeless children and youth. We utilized the 2007–2022 Point-in-Time Estimates by Continuum-of-Care providers.

Othering and Belonging Institute

The Othering and Belonging Institute collects data on zoning designations from jurisdictions' General Plan land use documents and zoning map shapefiles provided by the Association of Bay Area Governments, municipal planning departments, or downloaded from ESRI's ArcGIS HUB. The data was made available as part of their Racial Segregation in the San Francisco Bay Area publication series from 2019 to 2021 through their Zoning Report titled "Single-Family Zoning in the San Francisco Bay Area: Characteristics of Exclusionary Communities" (October 7, 2020). We use data on Napa County from their GIS sampling of land area by zoning designations.

California Department of Housing and Community Development (HCD)

HCD collects data on all housing development applications, entitlements, building permits, and completions within California jurisdictions for the 5th and 6th cycle Housing Elements. It makes that data available through their Annual Progress Reports (APR). We use data on Regional Housing Needs Allocation (RHNA) and construction and permitting activity for Napa County jurisdictions dating back to 2018.

Bureau of Labor Statistics

The Occupational Employment and Wage Statistics (OEWS) program produces employment and wage estimates annually for approximately 830 occupations. These estimates are available for the nation as a whole, for individual states, and for metropolitan and nonmetropolitan areas; national occupational estimates for specific industries are also available. We use May 2022 State Occupational Employment and Wage Estimates for Napa County and the City of Napa.

Novogradac

The LIHTC Mapping Tool is based on the U.S. Department of Housing and Urban Development's LIHTC Database, which was last revised as of May 2023. Data includes project address, number of units and low-income units, number of bedrooms, year the credit was allocated, year the project was placed in service, whether the project was new construction or rehab, type of credit provided, and other sources of project financing. We drew on mapping data for Napa County.

Salary.com

The Cost of Living Calculator compares the cost of living in one location to the cost of living in a new location using the Consumer Price Index (CPI) and salary differentials of over 300+ US cities. We utilized this tool to estimate the cost of living across California and Oregon cities with local wine industries and to derive the salaries needed to maintain standards of living across locations.

Regional Housing Elements

The Housing Element of the General Plan identifies a city's housing conditions and needs, establishes the goals, objectives, and policies that are the foundation of the city's housing strategy, and provides an array of programs to create sustainable, mixed-income neighborhoods across each city. We utilized the 6th Cycle Housing Element plans from each jurisdiction to identify the number of Extremely Low and Very Low Income households estimated to live within each jurisdiction.

Appendix: Report Contributors

PRINCIPAL AUTHOR AND POLICY ANALYST
Joshua Shipper, PhD
Director of Special Initiatives, Generation Housing

Joshua comes to Generation Housing with community-based, academic, and policy experience working to understand how each generation defines what equity looks like for them. After helping to identify solutions to the growing racial wealth gap and home financialization trends shaping communities like West Oakland prior to 2010, Joshua completed his PhD in Political Science at the University of Michigan, Ann Arbor in 2018. There he focused on American politics, race, and equity policy, contributing to survey and quantitative research on American attitudes shaping policies on wealth, taxation, and education. Applying those insights to politics and policy, Joshua taught political science courses in the Midwest while working to reform state funding for affordable housing with Wisconsin State Assemblywoman Francesca Hong.

Now having returned to the Bay Area, he has most recently served as the Director of Data & Grants at the Committee on the Shelterless where he helped support evidence-based, housing-first solutions to homelessness in Sonoma County including through Project Homekey and CalAIM.

PRINCIPAL AUTHOR AND DATA ANALYST
Max Zhang
Research Manager, Generation Housing

Max joins the Generation Housing team with professional and academic experience in data analysis. A recent graduate from the University of California, Berkeley, majoring in both Statistics and Economics, Max has worked on improving transparency and reproducibility in policy analysis with the Berkeley Initiative for Transparency in the Social Sciences and studied pandemic unemployment insurance and Proposition 13 tax revenue impacts at the Berkeley Institute for Young Americans. As a part of Generation Housing, Max is furthering a long-standing passion for effective, socially oriented policy by placing the power of modern data analysis tools in the hands of housing advocates.

THE TEAM

Jen Klose, J.D.
Executive Director
Generation Housing

Sonia Byck-Barwick
Civic Engagement Manager
Generation Housing

Omar Lopez
Program Associate
Generation Housing

Stephanie Picard Bowen
Deputy Director
Generation Housing

Abby Torrez
Operations Manager
Generation Housing

Calum Weeks
Policy Director
Generation Housing

REPORT DESIGN

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Appendix: About Generation Housing

OUR STORY

Generation Housing is an independent nonprofit organization created in the wake of the 2017 Sonoma Complex Fires to advocate for more diverse housing at all income levels in Sonoma County. Despite some policy advancements, there are still roadblocks and opposition to the development of much-needed housing. Generation Housing was incubated and is directed by cross-sector leaders representing healthcare, education, environment, and business who agree that a housing advocacy organization to promote housing policy and educate the public is a crucial missing component in our local housing development.

Generation Housing educates policymakers and the public about this critical intersectional relationship between housing and quality of life to increase public and political will for housing development, and to inspire and activate a counter voice to NIMBYism. Generation Housing rallies support for smart housing projects and helps to develop and champion solutions that reduce procedural and financial barriers to housing development.

Generation Housing's work is strategically guided by its Mission, Vision, and Guiding Principles, which include values of equity and environmental sustainability, and a commitment to cross-sector collaboration.

Vision

We envision vibrant communities where everyone has a place to call home and can contribute to an equitable, healthy, and resilient North Bay.

Mission

Generation Housing champions opportunities to increase the supply, affordability, and diversity of homes throughout the North Bay. We promote effective policy, sustainable funding resources, and collaborative efforts to create an equitable, healthy, and resilient community for everyone.

GUIDING PRINCIPLES

People

Everyone deserves to have a place to call home – a mix of ages, races, ethnicities, and socioeconomic status contributes to our economic and social vibrancy.

Sustainability

We support development of energy efficient and climate resilient homes and communities that offer access to jobs, schools, parks, and other needed amenities.

Place

Vibrant walkable urban areas, rich agriculture economy, and environmental stewardship require thoughtful, sustainable housing development.

Impact

Safe, stable, affordable housing near community services is integral to economic mobility, educational opportunity, and individual, family, and community health.

Collaboration

We are committed to working collaboratively and transparently – conducting positive advocacy, aligning efforts along the points of agreement, and working across sectors to create actionable and lasting solutions.

Housing Options

Our communities need a range of housing types, sizes, materials, and affordability levels.

Appendix: Acknowledgements

Report Commissioned by the Napa County Board of Supervisors:
Joelle Gallagher (District 1), Chair of the Board
Ryan Gregory (District 2)
Anne Cottrell (District 3), Vice Chair
Alfredo Pedroza (District 4)
Belia Ramos (District 5)

The Napa County Board of Supervisors, as part of its prioritization of the housing deficit within the county, sought out a rapid assessment of how rising home prices and limited availability had been impacted by underproduction in the last decade — and how in turn the shortage has affected residents' ability to afford to live in Napa County's jurisdictions. Its goal is to utilize this assessment to set baseline metrics, determine and drive local implementation of the Housing Element plan, and prioritize its grantmaking strategy in the years to come. This assessment is one part of the Board of Supervisors' plans to prepare the county for the potential utilization and expenditure of a nine-county general obligation bond measure on the November 2024 ballot that will unlock $10–$20 billion for affordable housing and homelessness solutions. Each county will determine how best to distribute funds to target highest need housing and support effective developments. It additionally seeks a tool that benefits advocates of housing throughout the county, generating shared language around — and key figures attesting to — the need to make the strongest possible case for housing now.

Special Thank You To:
This report would not have been possible without the guidance, leadership, and overall support of Jennifer Palmer, Director of Housing & Homeless Services with Napa County. Jennifer initiated and drove the effort to conduct a unified assessment of the jurisdictions' housing needs in order to understand the challenge as a regional rather than exclusively local task. As a testament to her collaborative approach, Jennifer assembled a Steering Committee of local advocates, industry leaders, and sector employers to establish a uniquely cross-public and private alliance on housing needs. The members, each of whom had seen firsthand how high housing prices made it difficult for their clients, employees, and workforce to live and work in Napa County, were instrumental to tailoring this assessment to the unique history, workforce profile, and housing needs of the county's key sectors including its accommodation, farm and agriculture, beverage manufacturing, health care, and childhood care & education employees.

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Generation Housing

427 Mendocino Avenue
Suite 100
Santa Rosa, CA 95401

707-900-GENH [4364]
generationhousing.org

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