

NAPA COUNTY'S FUTURE IS IN YOUR HANDS – A REPORT FOR THE JACK L. DAVIES FUND

Background

Napa County is world-famous for its outstanding wines and beautiful landscape of valleys, hills, ridgelines, and compact settlements. Napa County is America's premier wine producing region with 46,700 acres of vineyards. The economic impact of the wine industry within Napa County is estimated at \$9.4 billion. The wine industry together with the tourism sector provide 44,000 local jobs.

Napa County has adopted strong plans and zoning to protect its agricultural land and maintain its special character. But plans and zoning are not permanent and the future is uncertain.

More than 7.6 million people live in the nine counties of the Bay Area, and 9.3 million people are expected by 2040. Every county will need to provide housing and jobs for more people. Yet,

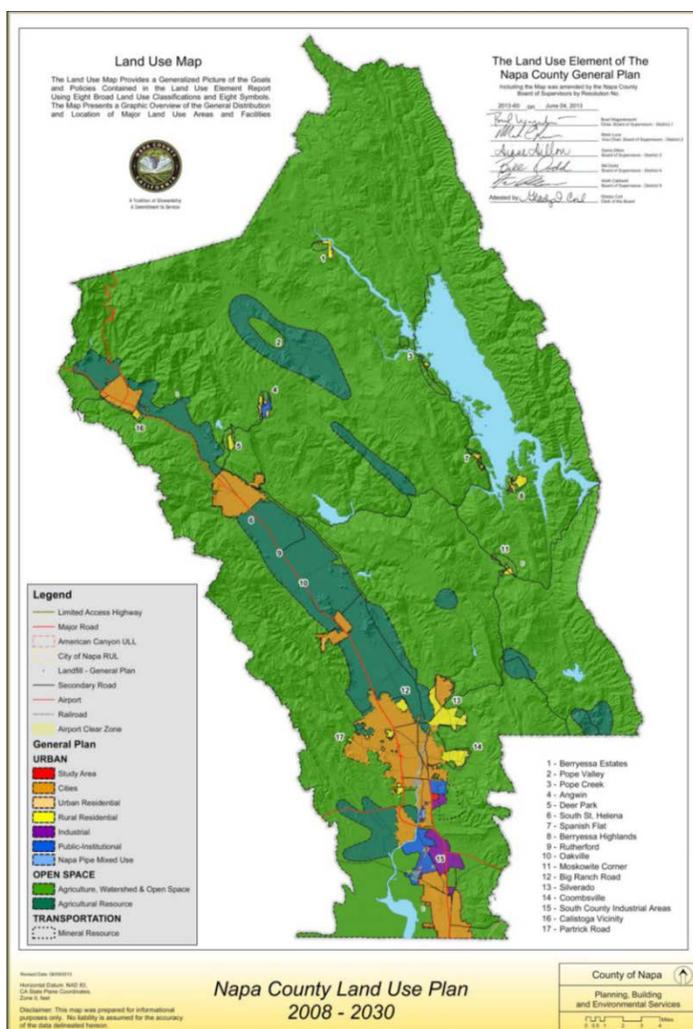
the Bay Area has a crisis of affordable housing, resulting from an overall shortage of housing, high housing prices and high rents relative to income, and the high cost of building new housing.

Napa County remains the most rural of the Bay Area counties, with a population of 140,000. But the County has high housing prices—a median price of more than \$700,000—a shortage of affordable housing for low- and moderate-income households, and a need for continued efforts to preserve agricultural land in the face of development pressures.

The Problem

Napa County faces three related challenges:

1) How to maintain and preserve its agricultural land, which is the



foundation of the Napa County economy?

2) Whether, where, when, and how much to expand the county's municipalities through the annexation of unincorporated county land? and

3) How to provide an adequate supply of affordable housing for all income groups?

Recommendations

Agricultural Land Preservation

1) A local sales tax of one-quarter of one percent (25 cents per \$100) dedicated to land preservation. Sonoma County has had such a tax since 1990 and has used the tax revenue to preserve thousands of acres of agricultural land, natural areas, and open space. Land preservation means the purchase of conservation easements from willing landowners. The land is permanently restricted to and maintained as agricultural or open space uses but remains on the property tax rolls.

2) Apply for state and federal matching funds to support agricultural land preservation. Both the state of California and the federal government offer matching funds for the preservation of agricultural land. The federal government will pay up to half the cost of purchasing a conservation easement.

3) A Cooperative Agreement between the Napa County Regional Park and Open Space District and the Land Trust of Napa County to work on land preservation projects. A public-private partnership can stretch dollars and result in more land preservation. Set a numerical goal of farmland to preserve each year.

Annexation

4) More infill projects within Napa County's municipalities. This will help to reduce the need to expand municipal boundaries onto agricultural land while accommodating new population growth. Financial incentives for mixed use projects are especially needed.

5) Agreements between the County and its municipalities to better cooperate on affordable housing policies and city annexations. The Local Agency Formation Commission (LAFCO) of Napa County, a state-mandated agency, reviews and rules on the annexation of county land into cities. Agreements between the County and its municipalities on future growth areas with a focus on infill development should minimize the loss of agricultural land to development.

Housing

6) Public /private partnerships for affordable housing. The County and its five municipalities together with developers, and non-profit housing groups must work together to provide more affordable housing and meet state-mandated housing goals. The creation of a Napa County Community Land Trust—a nonprofit housing organization—would help this effort.

7) The five municipalities should review their zoning ordinances to identify housing opportunities and infill projects.