



Oak Creek Terrace in Napa. Photo Credit Ethan Pine, ethanpine.com Courtesy of Napa Valley Community Housing.

# NAPA COUNTY'S HOUSING EMERGENCY UPDATE

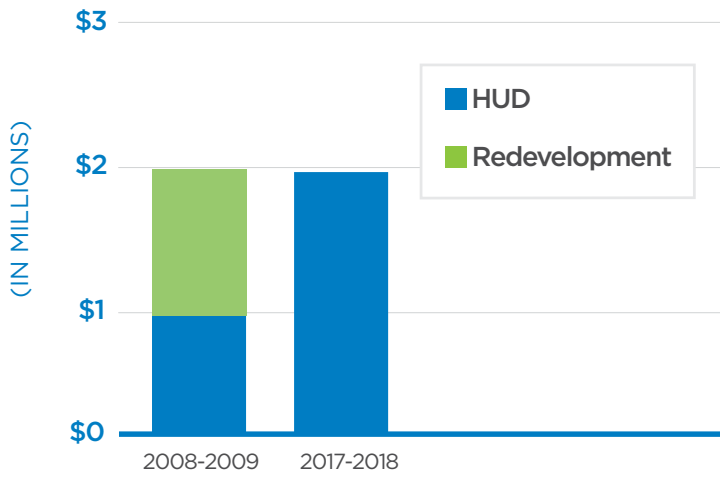


**California Housing Partnership**  
*California's Experts on Affordable Housing Finance, Advocacy & Policy*

## KEY FINDINGS

- Cuts in Federal and State funding have reduced investment in affordable housing in Napa County by nearly 50,000 annually since 2008, only a 3% reduction overall due to the County's success in competing for Federal funds administered by the State.
- 50% of ELI households are paying more than half of their income on housing costs compared to just 5.1% of moderate income households.
- Renters in Napa County need to earn \$46.90 per hour - nearly 4 times the State minimum wage - to afford the median asking rent of \$2,439.
- Low Income Housing Tax Credit production and preservation in Napa County fell to zero in 2018 due to lack of local funding resources.
- Napa County needs 2,989 more affordable rental homes to meet current demand.

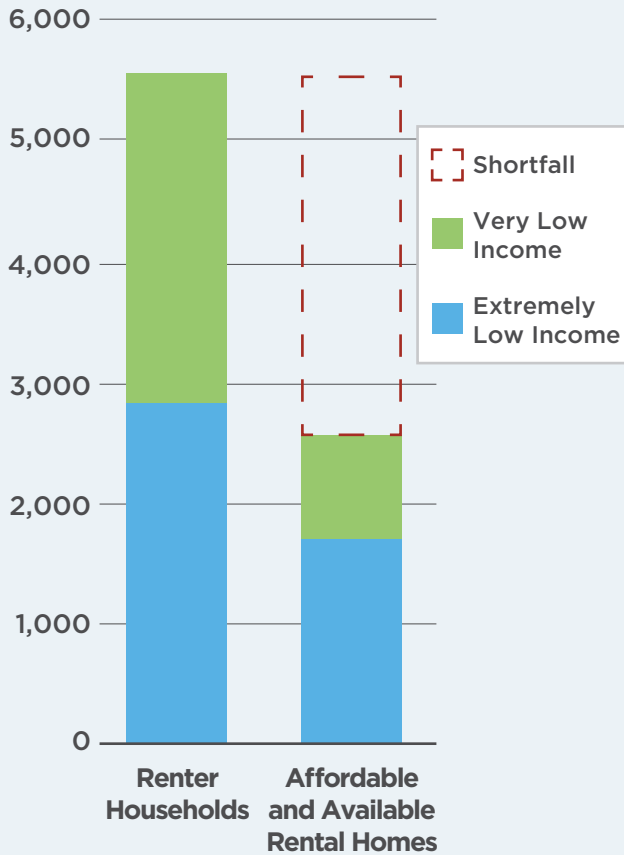
## NAPA COUNTY LOST 3% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2017-18



FUNDING SOURCE	FY 2008-09 (In thousands)	FY 2017-18 (In thousands)	% CHANGE
Redevelopment	\$995	\$0	-100%
State Housing Bonds and Housing Programs	\$0	\$0	0%
HUD	\$977	\$1,922	97%
<b>TOTAL</b>	<b>\$1,971</b>	<b>\$1,922</b>	<b>-3%</b>

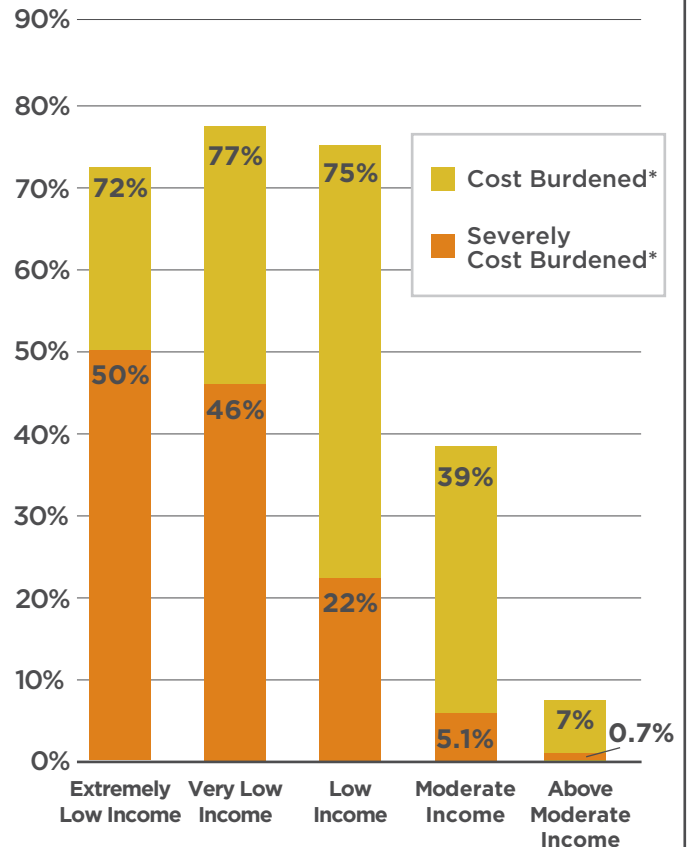
**Source:** California Housing Partnership analysis of 2008-2009 annual Redevelopment Housing Activities Report; 2008-2009 and 2017-2018 Annual HCD Financial Assistance Programs Reports; 2008-2009 and 2017-2018 HUD CPD Appropriations Budget Reports.

### NAPA COUNTY NEEDS 2,989 MORE AFFORDABLE RENTAL HOMES



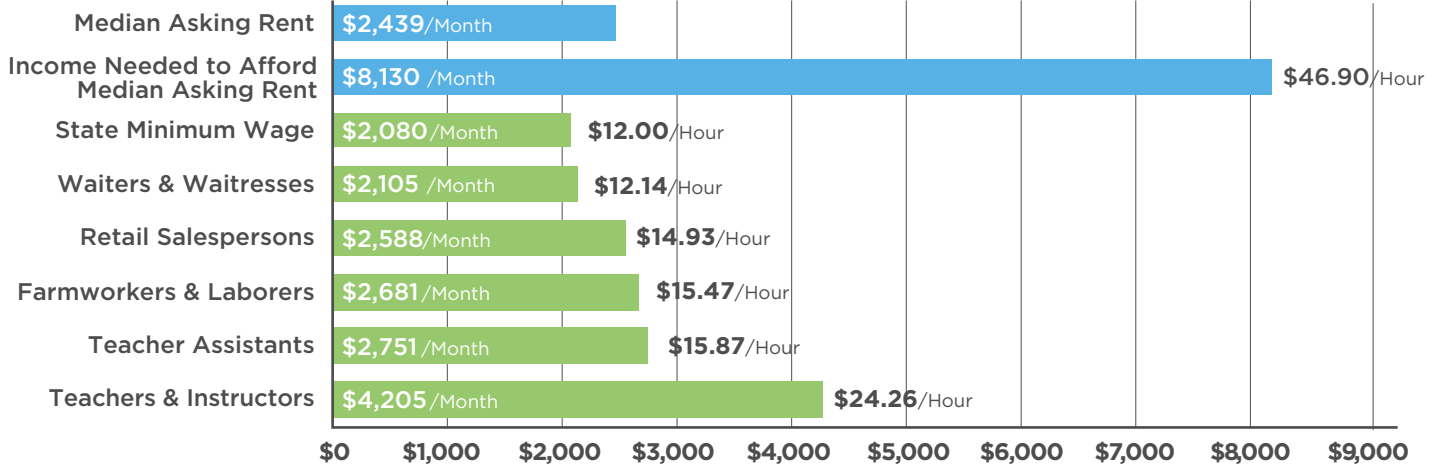
**Source:** California Housing Partnership analysis of 2016-2017 PUMS data using adapted NLIHC methodology.

### LOWEST INCOME HOUSEHOLDS ARE DISPROPORTIONATELY AND SEVERELY COST BURDENED



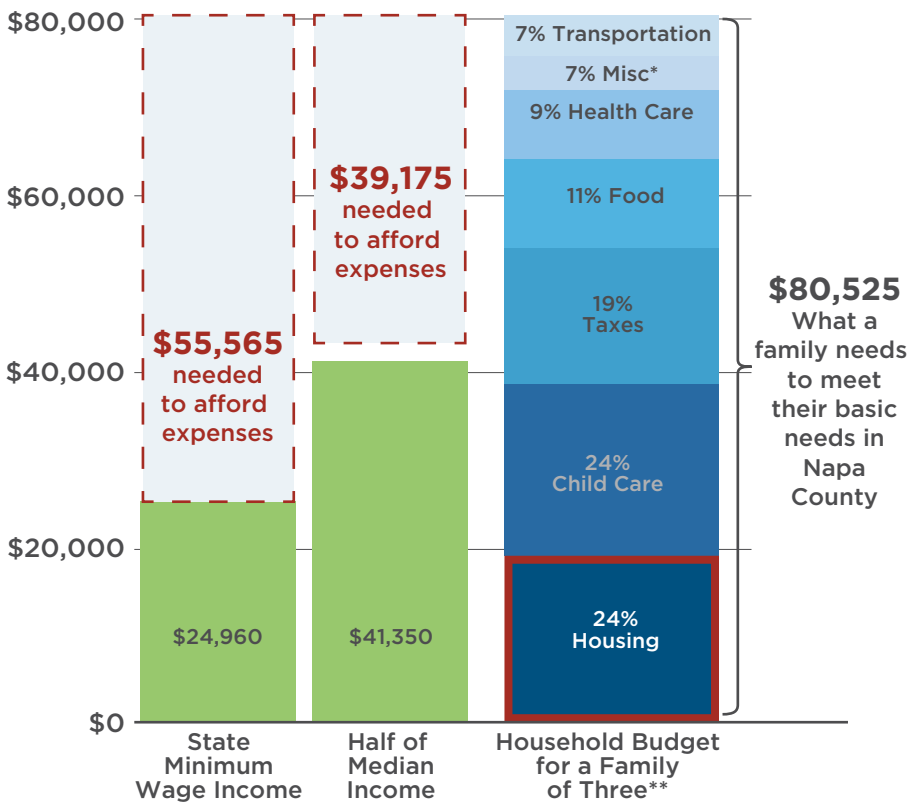
**Source:** California Housing Partnership analysis of 2016-2017 PUMS data.  
\*Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

## RENTERS NEED TO EARN 3.9 TIMES MINIMUM WAGE TO AFFORD THE MEDIAN ASKING RENT IN NAPA COUNTY



Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings in February 2019. Bureau of Labor Statistics Median Annual Wage Data for CA Occupations, 2018.

## HOUSING PRICES ARE DRIVING COSTS OF LIVING OUT OF REACH FOR LOW INCOME FAMILIES IN NAPA COUNTY



Source: The above budget is a preview of United Way's forthcoming data release on the Real Cost Measure. Please visit <https://www.unitedwaysca.org/realcost> for more information about what it takes to meet basic needs in Napa County.

\*The "miscellaneous" budget category includes all other categories not defined.

\*\*The household budget for a family of three uses a population weighted average to estimate the costs associated with one working adult and two children (one school-aged child and one toddler). Each percentage represents how much a family's annual budget is captured in each cost category (housing, child care, etc.).

## NAPA COUNTY'S LOW INCOME HOUSING TAX CREDIT PRODUCTION AND PRESERVATION FELL TO ZERO IN 2018 DUE TO LACK OF LOCAL FUNDING

STATEWIDE			
TYPE	2016	2017	2018
New Construction	9,285	7,407	9,373
Acquisition & Rehab	15,032	5,928	9,430
All	24,317	13,335	18,803

NAPA COUNTY			
TYPE	2016	2017	2018
New Construction	98	68	0
Acquisition & Rehab	128	113	0
All	226	181	0

Source: California Housing Partnership analysis of 2016-2018 California Tax Credit Allocation Committee data.

Note: The data does not include manager or market rate units created through the LIHTC program.

# STATEWIDE POLICY RECOMMENDATIONS

**The California Housing Partnership calls on State leaders to take the following actions to provide relief to low income families struggling with the high cost of housing:**

- » Replace Redevelopment funding for affordable housing with at least \$1 billion annually to help local governments meet their State-mandated production goals.
- » Expand the State's Low Income Housing Tax Credit Program by \$500 million per year to jump-start affordable housing production and preservation.
- » Create a new California capital gains tax credit to preserve existing affordable housing at risk of conversion and to fight displacement pressures in Opportunity Zones.
- » Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67% to 55% as was done for educational facilities in 2000.

## REGIONAL AND LOCAL RECOMMENDATIONS FOR NAPA COUNTY

### Regional Recommendations

- » Condition discretionary transportation funds to cities on progress in providing affordable housing and preventing displacement.
- » Ensure that all cities and counties in the Bay Area are accountable to produce their fair share of affordable housing through the region's next Regional Housing Need Allocation.

### Local / County Recommendations

- » Leverage Federal and State disaster funds to build new affordable rental housing apartments to replace lower density housing serving lower income households that were destroyed by the fires.
- » The five jurisdictions that passed 1% Transient Occupancy Tax increases dedicated to affordable housing should work collaboratively to deploy those funds effectively to create additional affordable housing.
- » Provide local funds to match new State funding to build farmworker family housing to reunite farmworker families with adult workers travelling extraordinary distances to work in Napa County fields.
- » Use the new Transit Occupancy Tax funding to acquire and preserve naturally occurring affordable housing (NOAH) apartment buildings in danger of being sold to speculators.
- » Monitor tax credit results for the new North Bay tax credit funding region to determine whether this new smaller region has helped Napa County to compete more successfully.

**This report was produced by the California Housing Partnership.**

*Local policy recommendations provided by:*

Burbank Housing

Non-Profit Housing Association of Northern California (NPH)

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