



Housing in St. Helena

March 2020

What Determines Affordability?

Source: HUD

- Area Median Income (AMI)
 - Set by US Department of Housing and Urban Development (HUD)
 - Varies by family size; differs by County
- Napa County AMI for 2020 is \$100,400 for a family of four
 - 80% to 120% is considered moderate income (\$80,320 to \$120,480)
 - Below 80% AMI is considered low income
- Federal funds usually support projects that are housing people at a maximum of 80% of AMI

2019 AMI for Napa County

Source: County of Napa/HUD

Persons Per Household	50% Median Income	80% Median Income
1	35,150	55,650
2	40,200	63,600
3	45,200	71,550
4	50,200	79,500
5	54,250	85,900
6	58,250	92,250
7	62,250	98,600
8	66,300	104,950

Housing Myth #1

Source: St Helena Housing Element

- **People from all over the country could qualify for our affordable housing if we use federal funds**
- Fact: 95% of those living in income-qualified affordable housing in St Helena work or retired from work upvalley
 - Use of federal funds does prohibit giving local preference
 - Local housing programs are marketed locally

Housing Myth #2

Source: SH Housing Element

- **St Helena does not need more affordable housing**
- Fact: A significant percent of local households are cost burdened
- HUD calculates Housing Cost Burden as a household paying more than 30% of their income on housing cost
 - Includes rent and utilities for renters
 - Includes mortgage, tax, insurance and utilities for homeowners
- 53% of the 1,365 local owner-occupied HH are House Cost Burdened
- 47% of the 1,200 local renter HH are House Cost Burdened

What is RHNA?

Source: HCD

- Regional Housing Needs Allocation (RHNA)
- State mandated plan to meet state's housing needs
 - Each region divides up the allotment among its cities
 - Association of Bay Area Governments (ABAG): 9 county region identifies housing units needed across all income levels
 - Must prepare Housing Element of General Plan and update Zoning Ordinance based on RHNA
 - St Helena's current plan runs 2015 to 2023

Current RHNA Status

Source: ABAG

St Helena

Income Level	RHNA Allocation	Units to Date	Total Remaining
Very Low	8	6	2
Low	5	10	0
Moderate	5	4	1
Above Moderate	13	50	0
Total Units		70	0
Total RHNA	31		3

County	RHNA	% Met 2017
Alameda	44,937	44%
Contra Costa	27,072	62%
Marin	4882	32%
Napa	3705	39%
San Francisco	31,193	64%
San Mateo	15,728	52%
Santa Clara	60,338	74%
Solano	12,985	38%
Sonoma	13,650	41%
Bay Area Totals	214,500	57%

Rural Designation

Source: USDA RD

- Eligible for special programs through the United States Department of Agriculture
- Cities or towns with less than 50,000 population
- St Helena, Calistoga, Yountville and American Canyon qualify
- City of Napa does not
- Preference to cities/towns with < 10,000 population

Current St Helena Zoning

Source: SH General Plan

	Minimum Units Per Acre	Maximum Units Per Acre
Low-Density Residential District	.5	1
Medium-Density Residential District	5.1	16
High-Density Residential District	16.1	28

Why Does Affordable Housing Cost So Much?

Source: Turner Center for Housing Innovation UC Berkley , Turner and Townsend, HUD

- The average cost per unit is about \$500,000 to \$600,000 in California
 - The high price of land
 - The price of labor--a construction worker earns around \$90/hr. in SF
- 25% of the cost of building affordable housing goes to government fees, permits and consulting companies
 - A single affordable housing project requires financing from an average of six different sources
- Zoning issues or objections by other property owners can consume many years before ground is broken

Who Is Involved in Building Affordable Housing?

Source: OTSH

- Nonprofits
 - Big organizations like Bridge Housing and Mercy Housing
 - Regional organizations like Burbank Housing
 - Local like Napa Valley Community Housing, OTSH and Calistoga Affordable Housing
- Market-Rate Developers
 - City requires 20% of market rate developments to include affordable units
 - Example: Magnolia Oaks
 - Example: McGrath Project on McCorkle and Grayson

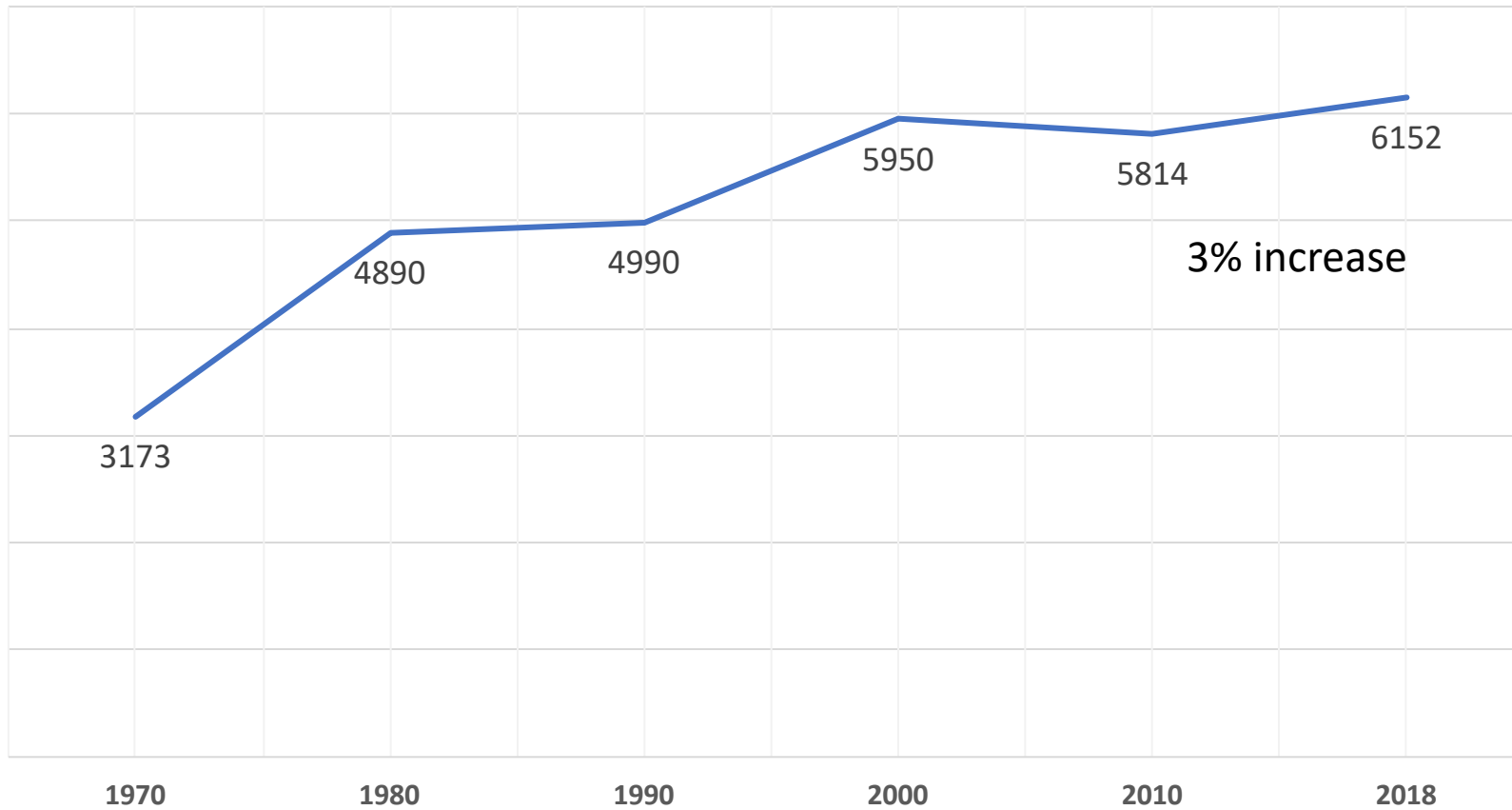
Who Funds Affordable Housing?

- United States Department of Housing and Community Development (HUD) (funneled through states)
- United States Department of Agricultural – Rural Development (USDA RD)
- The Low-Income Housing Tax Credit (LIHTC)
- County of Napa and City of St Helena Affordable Housing Trust Fund
 - Both are funded by impact fees for other commercial and residential development
 - Increase of 1% TOT (hotel tax) approved in last election is dedicated exclusively for housing

State of Housing in St Helena

50-Year Population Overview

Source: US Census



Current Affordable Housing In St Helena

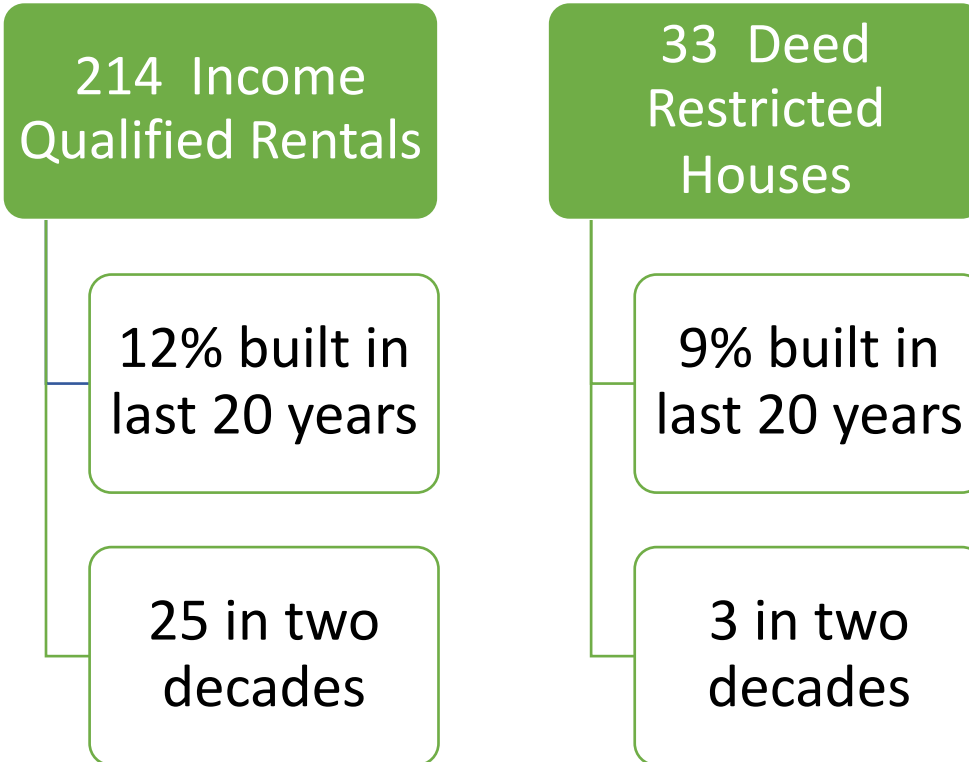
Source: St Helena Housing Element & OTSH updates

FOR RENT	Units	Management Company	Affordability
Hunt's Grove	56	Bridge Housing	Low & Very Low
Stonebridge	80	EAH Housing	Low & Very Low
Woodbridge	50	Woodbridge RAL SENIOR HOUSING	Low & Very Low
Magnolia Oaks	16	Crown Realty	Low (4) & Moderate (12)
Turley Flats	8	Calistoga Affordable Housing	Low & Moderate
Individual/Private	4	Wydown Hotel/ J. Ibrahim/OTSH	Very Low to Above Moderate
FOR SALE	Units	Builder	Affordability
Wallis Subdivision	20	Developer Financed – Deed-Restricted	Moderate Income
Marietta Self-Help	10	NVHC/City of SH - Deed-Restricted	Low Income
Vintage Court (Allison)	1	Developer Financed - Deed-Restricted	Moderate Income
Magnolia Oaks	2	Developer Financed – Deed Restricted	Moderate Income

Affordable Housing History

Source: City of St Helena Housing Element, OTSH Update

In 2020:



Fair Market Rents in Napa County

Source: County of Napa -2020 FMR

Studio	\$1,225
One Bedroom	\$1,427
Two Bedroom	\$1,880
Three Bedroom	\$2,712
Four Bedroom	\$2,803

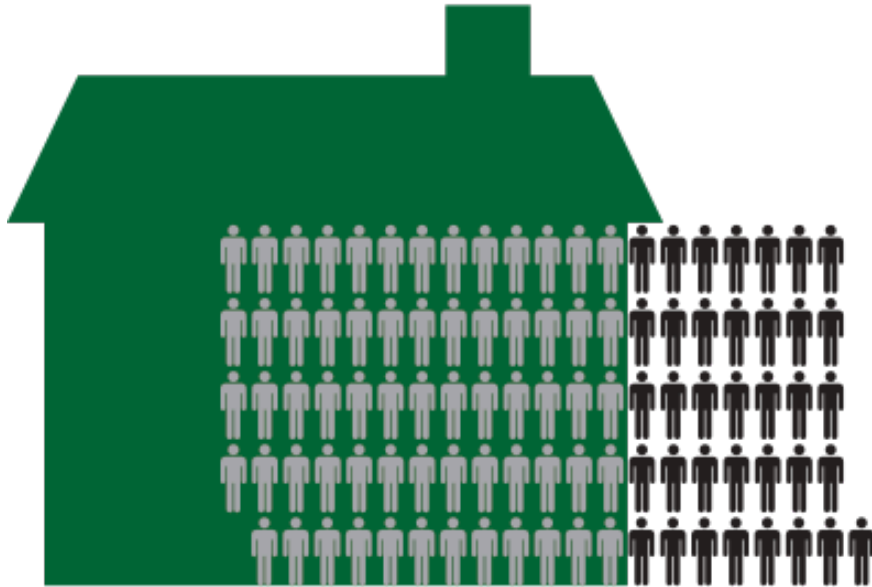
Median Home Sales Price > \$1,090,000

- Median Home Sale Price is \$1,090,000 (Coldwell Banker)
 - A household must earn over \$200,000 a year to afford this house
 - 20% down payment and 30-year 4% mortgage
- The lowest price for single family home sale is \$650K (excluding condos)
 - Require a standard down payment of \$130,000
 - Income of \$120,000 needed to cover housing expenses
- Median income in St Helena is \$87,800 (US Census Update)

Who Can Afford to Live in St Helena

Source: City of St Helena Housing White Paper

Average rent for 2-bedroom
apartment: \$1,809



36% of Residents can't afford rent

Median home price \$1,090,000



70% of Residents cannot afford to purchase

Net Loss in Rentals Units

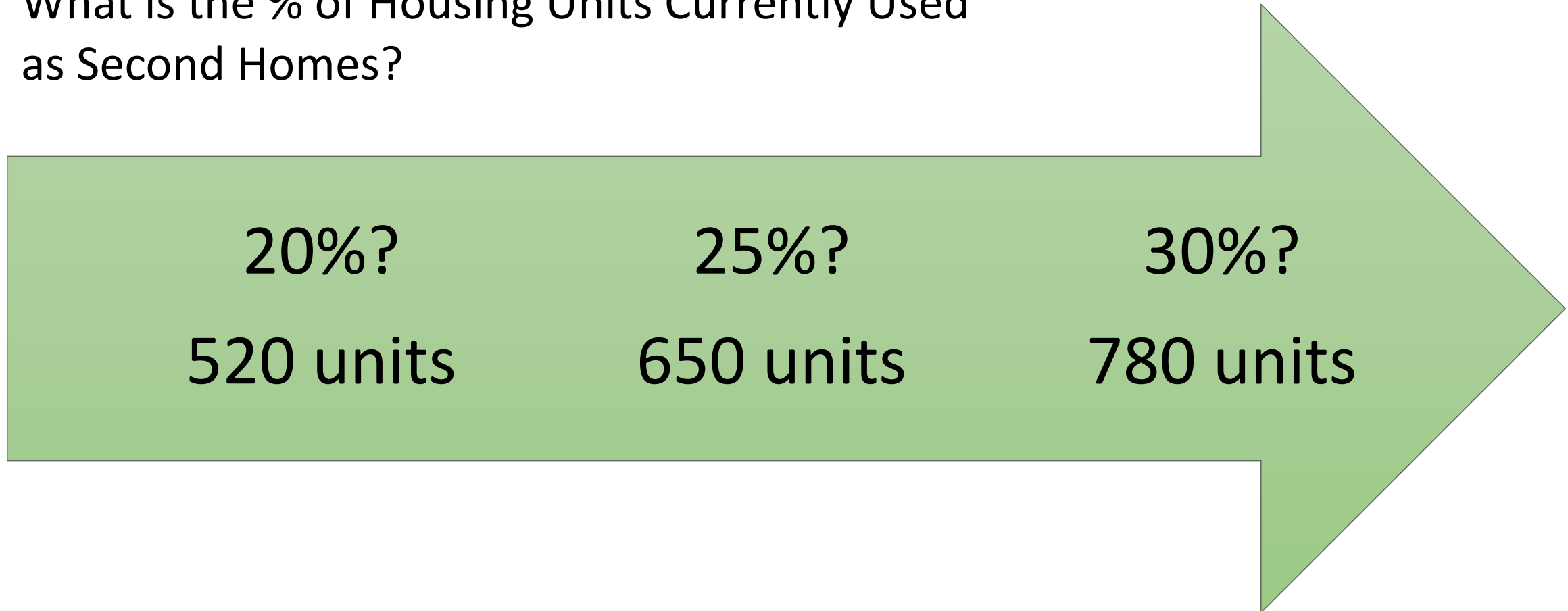
Source: US Census, St Helena Housing Element, OTSH

Total Units – 2010	538	Per US Census 2010
New units thru 2019	+36	Magnolia Oaks, Turley and McGrath
Lost units in 2014	- 48	Units eliminated from Grandview
Units in 2020	516	
NET LOSS	(12)	

Losing Housing Stock

Based on 2600 HH per US Census

What is the % of Housing Units Currently Used as Second Homes?

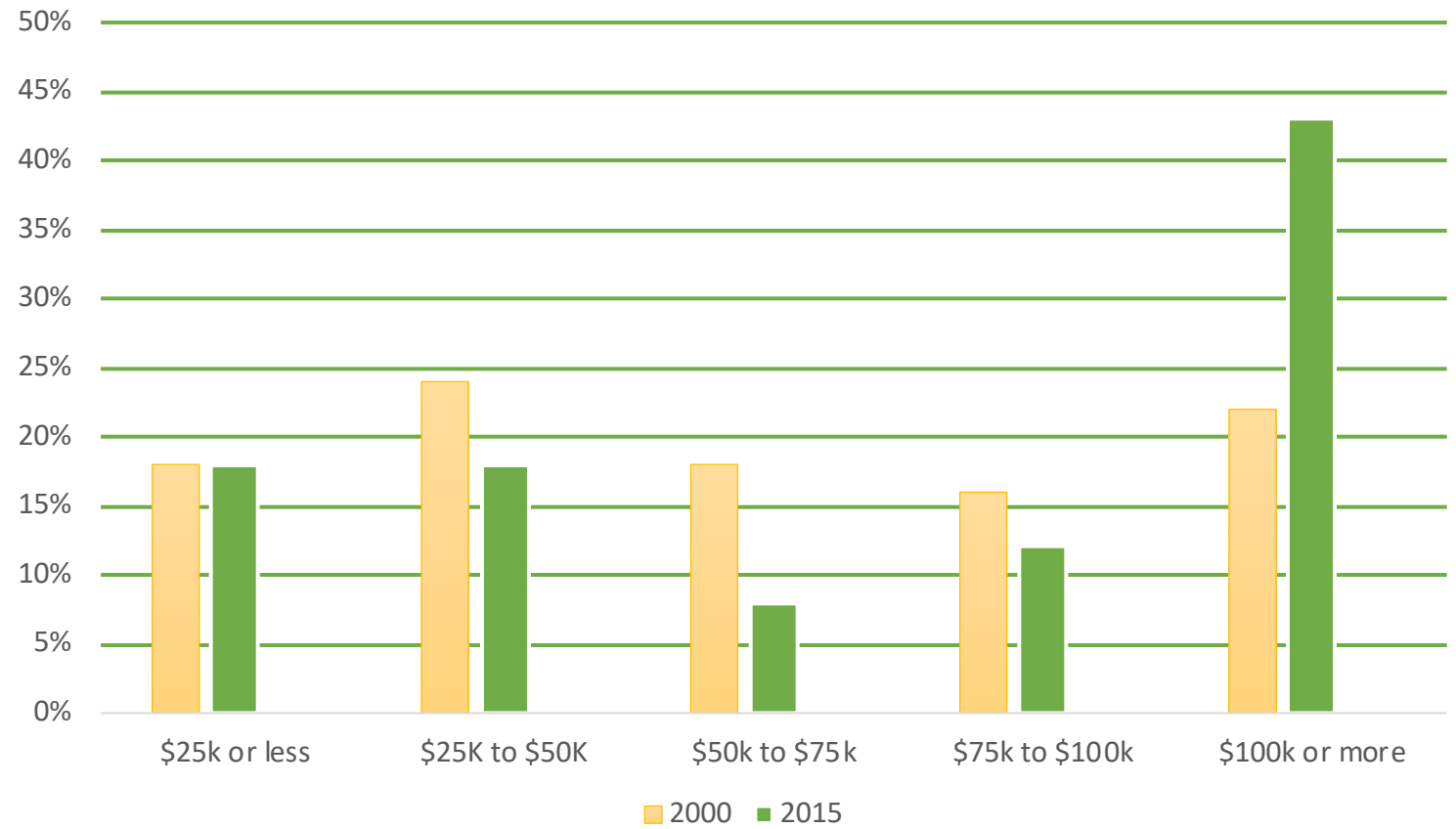


Significant Change in HH Income

Source: City of St Helena Housing White Paper 2018

Between 2000 & 2015:

- **42% Decline**
HH income between
\$25,000 and
\$100,000
- **92% Increase**
 - HH Income over
\$100,000
- ***Lost 437 families in five years***



Where Do Local Workers Live?

- 5,605 People work in St Helena
- 4,375 of them commute into town (78%)

Source: Census 2006-2010
Transportation Planning Package. 2014

Where St Helena Workers Live	Workers	%
St Helena	1230	22%
Napa	1690	30%
Calistoga	255	4%
Angwin	165	3%
Yountville	65	1%
Remainder of County	940	17%
Sonoma County	475	8%
Lake County	230	4%
Solano County	325	6%
Elsewhere in CA	230	4%

Where Do St Helenan's Work?

- 2,591 locals are employed
- 1,361 commute out of town to work (52%)

Source: Census 2006-2010 Transportation Planning Package. 2014

Where Locals Work	Workers	%
St Helena	1230	48%
Napa	150	6%
Calistoga	45	2%
Angwin	30	1%
Yountville	30	1%
Remainder of County	724	28%
Outside of County	382	15%

Decreasing Local Workforce

Source: City of St Helena Housing White Paper 2018

- 75% of local workers are commuting from other areas
- ***The 4,000+ employees commuting into town are engaged in their own communities, not ours***
- The worker-to-resident ratio has declined in the last decade
 - Indication of an aging population without an influx of new residents
 - Could also indicate an increase in second homes
- The county's job numbers have increased indicating that local jobs may have shifted down valley.

Job Growth Projections

Source: City of St Helena Housing White Paper 2018

- The most energetic job growth in Napa County has been at the lower end of the wage scale
 - Agriculture
 - Hospitality
 - Retail business sectors
- Over the next ten years, more than 60% of the fastest growing job sectors will pay below \$20/hour

It Could Be a Lot Worse

- Our town is beautiful – every day, in every season
- Wine and hospitality industries provide a sustainable economy
- St. Helena is not dealing with a major homeless issue
- We are a committed and generous community
- And, it is not too late

Increasing Housing in St Helena

OTSH's Two-Pronged Approach

PRESERVE

- Deed Restrict Houses
- Maintain Existing Rentals

BUILD

- Self-Help Homeownership
- Income-Qualified Rentals

People Vital to Our Community

The Roots

- Unskilled Workforce
- Laborers, dishwashers, prep cooks, housekeepers, landscape and hospitality workers, and some vineyard workers
- Often lower education level; untrained or semiskilled labor
- Young, socially isolated singles and laborers with families
- Living in rentals in town, with family or commuting long distances

\$14 to \$20 per hour (\$29,000 to \$41,600 annual household income)

People Vital to Our Community

The Trunk

- Skilled Workforce
- Retail clerks, office and winery workers, bank clerks, hotel staff
- High school education, some college and/or trade school
- Young and old, singles and married, seniors – great diversity
- Many commuting from long distances so they can own a home
- Others living in rentals in town

\$21 to \$39 per hour (\$43,680 to \$81,120 annual household income)

People Vital to Our Community

The Branches

- Professional workforce
- Plumbers, electricians, carpenters, nurses, teachers, city employees
- Mostly college or trade school educated
- Positions with good salaries and benefits
- Involved in family life and community
- Would like to own a home here but can't afford it
- Mostly commuting

\$40 to \$58 per hour (\$83,200 to \$120,640 annual household income)

What is Needed Across All Incomes

Family Type	Young Single	Young Couple	Senior Single	Senior Couple	Family Small Children	Family School Children	Family Multi Gen.
Unit Type							
Studio/1 BDM Rental	√	√	√	√			
ADU Rental	√	√	√	√			
Tiny House	√	√	√	√			
Co-Housing	√	√	√	√			√
2-3 BDM Rental					√	√	
2-3 BDM Starter House					√		
3-4 BDM Larger House						√	√
2-4 BDM w/ ADU			√	√		√	√

Self-Help Homeownership

- USDA RD Program – built 50K homes in 25 years
- OTSH obtains land and completes site development
- OTSH sells the developed sites to the homeowners and provides supervisor for construction
- USDA RD provides low-interest mortgages to participants
- Participants provide 65% of the labor as sweat equity to reduces the overall cost of their home
- Eight families are now building their homes at Brenkle Court

Families Working Together







Self-Help Homeownership – Phase Two

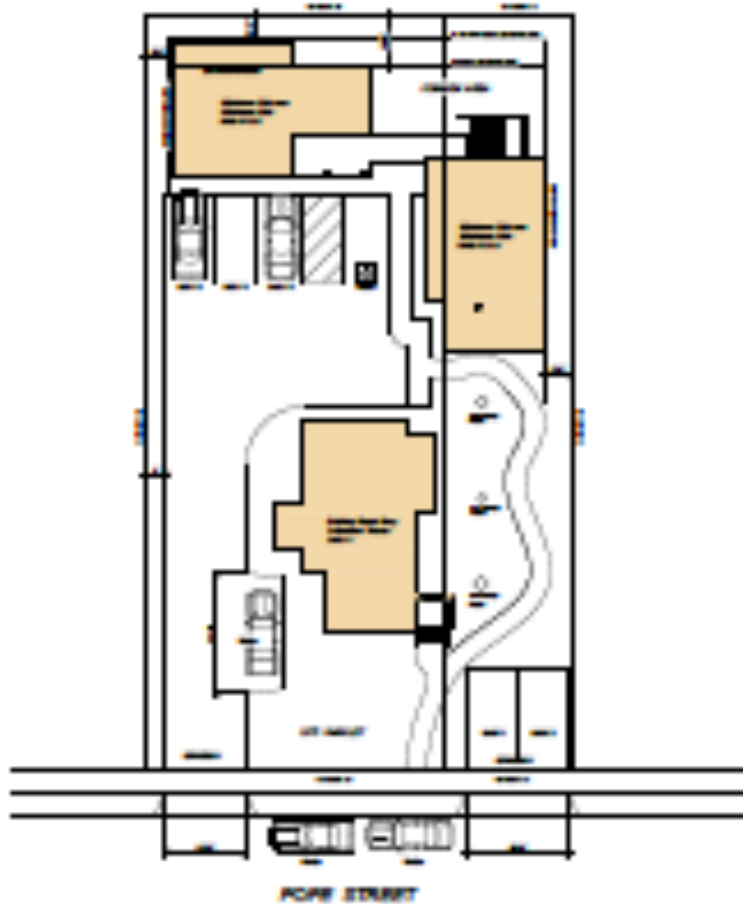
- OTSH has a grant to develop 11+ additional self-help homes
- **NEED LAND**
 - Purchase or donate or charitable sale
 - ½ to 1 acre
 - St Helena, Calistoga or Yountville

In-fill Housing Projects – 953 Pope Street

- Existing house suitable for rental
- 1/3 acre lot will allow us to build 4 additional units behind the house



Pope Street Workforce Village



- Add two sets of flats
- Two bedroom/1 bath
- Quality construction
- Energy efficient
- Communal outdoor area
- Walk to town
- HHs making \$36K to \$80K

Charitable Sale

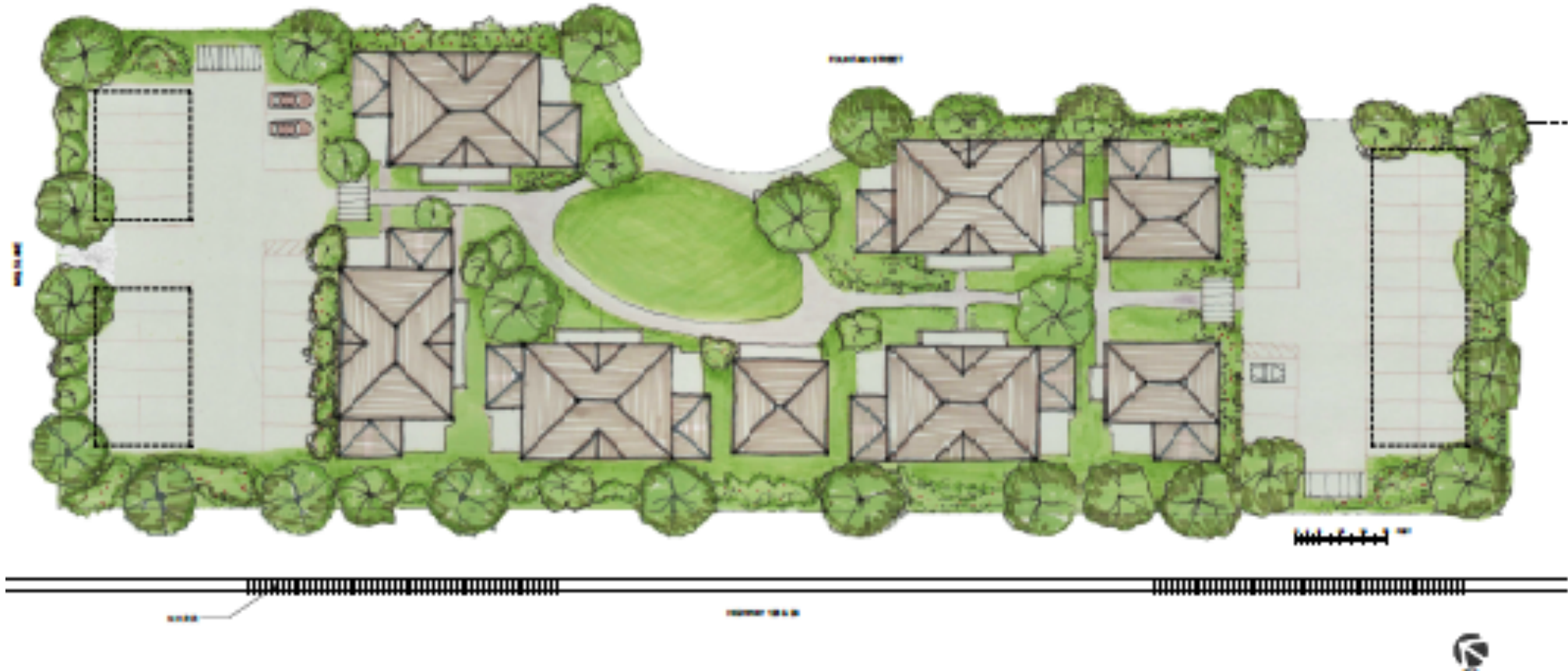
- Part sale and part charitable contribution
- Reduces capital gains tax
- Provided a significant tax benefit which can be taken over 6 years

	Market Rate Sale	Charitable Sale
Appraised Value	\$1,000,000	\$1,000,000
Sale Price	\$900,000	\$600,000
Real Estate Commission	\$45,000	\$30,000
Basis	\$400,000	\$400,000
Capital Gain	\$500,000	\$200,000
Capital Gain Tax	\$166,500	\$66,600
Proceeds to Seller	\$733,500	\$533,400
Donation Value	0	\$400,000
Income Tax Benefit	0	\$200,000
NET VALUE TO SELLER	\$733,500	\$733,400

Factory OS



Tax-Credit Low-Income Rental Complexes



Farmworker Housing in the Ag Preserve

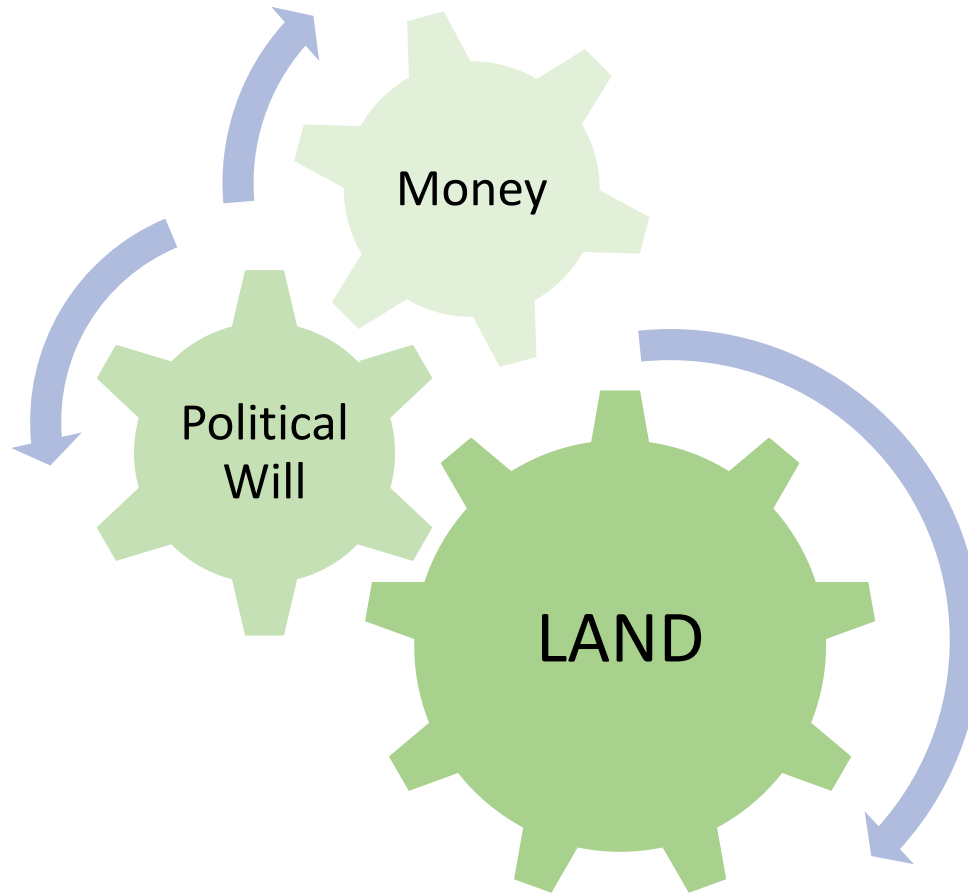


Other Potential Housing Projects

- Inclusionary in Market Rate Developments
- Developer-built Housing for Incremental Employees
- Mixed-Use Projects
- Preserving existing houses and apartments for local workforce and seniors

Elements to Build Affordable Housing

- Money is available
- Finally, we have the political will
- Land is the challenge



Land Banking is Critical

- Ag Preserve curtails development to five incorporated cities
- Continually losing city lots to second homes
- Few large lots available - more in-fill projects necessary
- To maintain diversity in our community, we need to accept increased density

Summary

- We've had a lovely little town for many decades
 - Continuity in population
 - Steady job growth
 - Prosperity and diversity
- But we did not foresee our future
- Now our town is experiencing significant changes
 - The middle class is moving out - income disparity is significant
 - Largest job growth will be in low income categories
 - Retail economy and support services are not thriving

How Can You Help

- Educate the Community
 - Convince others that increasing housing is essential to our town's sustainability
 - Attend public meetings, write letters, express your concern
- Support OTSH Projects
 - Cash donations
 - Volunteer for Brenkle Court [projectmanager@ourtownsthehena.org]
 - Identify potential sites for future projects
- Lend Your Expertise
 - Join our Advisory Committee
 - Advice needed on real estate, finance, legal, city planning and zoning, fundraising, marketing, translation, etc.



Housing in St. Helena

February 2020