



DRAFT AMENDMENT
City of Napa Annual Plan
2025-2026

Submission to: U.S. Department of Housing and Urban Development
July 2025

Prepared by: City of Napa Housing Division

The Program Year 1 Annual Action Plan represents the first year of implementation within a five-year Consolidated Plan cycle. Core narrative elements - including the Executive Summary, Needs Assessment, Market Analysis, and Strategic Plan priorities - are fully detailed in the Consolidated Plan and are therefore not repeated in this document.

Consistent with guidance from the U.S. Department of Housing and Urban Development (HUD), the first-year Annual Action Plan is intended to serve as the primary implementation component of the Consolidated Plan. Accordingly, this document begins with the Expected Resources section and focuses on the specific activities, funding allocations, and anticipated outcomes for the program year.

This amendment reflects updates to identified activities and funding allocations within the Annual Action Plan. It does not alter the overarching needs, priorities, or strategies previously established in the Consolidated Plan.

Expected Resources

AP-15 Expected Resources - 91.220(c)(1,2)

Introduction

During the five-year Consolidated Plan period (Fiscal Years 2025/26–2029/30), the City of Napa anticipates receiving approximately \$3 million in Community Development Block Grant (CDBG) entitlement funds from the U.S. Department of Housing and Urban Development (HUD), averaging an annual allocation of approximately \$600,000. These funds will be used to support a range of eligible housing, public services, and community development activities that benefit low- and moderate-income residents and neighborhoods. On October 14, 2025, Napa received an additional \$868,421 in program income funds that are not related to the revolving loan fund.

In addition to CDBG, the City expects to leverage several other funding sources to address local housing and community development needs, including:

- Affordable Housing Impact Fee Fund – Generated from developer fees and dedicated to supporting affordable housing development and preservation.
- 1% Transient Occupancy Tax (TOT) for Affordable and Workforce Housing – A dedicated local

revenue stream from lodging taxes used to support new affordable housing initiatives.

- Permanent Local Housing Allocation (PLHA) – State funding to support housing-related activities such as production, preservation, and supportive services.
- HOME Investment Partnerships Program (HOME) – Administered by the City of Napa Housing Division, to support affordable housing development and rehabilitation.
- Section 8 Housing Choice Vouchers (HCVs) – Administered by the Housing Authority of the City of Napa, providing rental assistance to extremely low-income households.
- General Fund Contributions – Staff time and discretionary funds used to support housing, homelessness services, and public infrastructure improvements.
- Other State and Federal Programs – Including potential grants from CalHFA, HCD, and other competitive sources, such as ESG, Homekey, or Low-Income Housing Tax Credits.

Despite this diverse range of funding mechanisms, insufficient funding levels remain a critical challenge. The identified needs for increased affordable housing production, homelessness response, and infrastructure upgrades exceeds available funding. Local agencies and partners continue to collaborate on maximizing leverage and aligning investments, but funding shortages continue to be the most significant barrier to fully meeting the housing and community development goals outlined in this Consolidated Plan.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	591,772.00	<u>986,1099,416</u> .00	0.00	<u>1,577,881</u> 601,188 .00	2,576,764.00	Expected allocation for FY 25/26, program income and estimate of the remaining amount for the Con Plan cycle.

ATTACHMENT 2

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Housing Other	334,000.00	0.00	0.00	334,000.00	334,000.00	PLHA- This funding source was created by legislation adopted by the State of California in 2017 providing formula and competitive grant grants to help cities and counties address housing needs. Expected amounts shown reflect the City's projected allocation from formula grants.

ATTACHMENT 2

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Other	1,385,618.00	0.00	0.00	1,385,618.00	1,385,618.00	HHAP funding is a state allocation to support jurisdictions with homeless strategies focused on prevention, interim housing, rapid rehousing and permanent housing.
<u>Other</u>	<u>Public-local</u>	<u>Other</u>	<u>882,606.00</u>	<u>0.00</u>	<u>8,483,928.00</u>	<u>882,606.00</u>	<u>3,530,423.00</u>	<u>The City currently expects approximately \$883k during the 2025-2026 Fiscal Year. The Affordable Housing Impact Fee fund balance is \$8.9M as of April 22, 2026. Approximately \$4.8M of this funding is reserved for affordable housing projects</u>

ATTACHMENT 2

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - local	Acquisition Admin and Planning Housing Other	18,100,000.00 <u>2,154,182.00</u>	0.00	<u>6,258,756.00</u>	18,100,000.00 <u>2,154,182.00</u>	5,800,000.00 <u>8,616,726.00</u>	This fund was created in FY 2018/19 based on voter <u>on-voter</u> on a voter approved measure that which assesses a one percent transient occupancy tax on lodging revenues and affordable and workforce housing. Approximately \$9.57.9M <u>\$9.57.9M</u> will be <u>is</u> available as of June-April 30th 22nd 2025 <u>2026</u> . Approximately \$264k <u>3.7M</u> of this funding is reserved for <u>for</u> loans .
Other	public - local	Admin and Planning	120,238.00	0.00	0.00	120,238.00	480,952.00	This fund is the primary fund responsible for the City's financial operations covering all administrative and operating expenses.

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Many of the activities that the City of Napa intends to fund through the Community Development Block Grant (CDBG) program require supplemental financing from other public and private sources. CDBG funds are allocated to leverage local, state, and federal resources to maximize the impact of investments in public infrastructure, affordable housing, housing rehabilitation, emergency shelter operations, and community services.

Over the five-year Consolidated Plan period, the City plans to use CDBG funds to fill funding gaps in projects that could also be supported by:

- Local sources- such as the City's Affordable Housing Impact Fee Fund and 1% TOT (Transient Occupancy Tax) for Affordable and Workforce Housing, which support development and preservation of housing for low- and moderate-income households;
- State funds- including the Permanent Local Housing Allocation (PLHA), Affordable Housing and Sustainable Communities (AHSC), Homekey, Prohousing Incentive Program (PIP), Homeless Housing And Prevention (HHAP), and program income from CalHome, used for affordable housing, homeless housing and prevention, emergency shelter operation, housing rehabilitation and first-time homebuyer assistance;
- Federal sources- such as the HOME Investment Partnerships Program, administered by the City of Napa Housing Division which supports affordable housing construction and acquisition;
- Private sector investments and nonprofit contributions- These funds are usually assembled by affordable housing developers for development projects with multiple funding layers.

For housing rehabilitation, the City operates a loan and grant program funded by both CDBG and CalHome program income. While these sources are not typically co-mingled at the project level, they are used concurrently to serve different households based on programmatic requirements. This allows the City to maximize the number of households served and reduce the long-term costs of housing maintenance and displacement.

Affordable housing development projects funded with CDBG often serve as a component of a larger funding mix, including federal Low-Income Housing Tax Credits (LIHTC), PLHA, HOME, and local gap financing from the Affordable Housing Impact Fee Fund. These projects frequently involve public-private partnerships, and CDBG funds are essential in acquisition, improving site readiness, infrastructure, or service access.

The 1% TOT is designed to support housing for households earning up to 120% of the Area Median

Income (AMI). While this funding extends beyond HUD's CDBG income eligibility threshold, it is often used in mixed-income projects where CDBG can support low- and moderate-income units within a broader development.

The City does not currently receive federal grants with formal matching requirements under CDBG. However, the City's strategy emphasizes leveraging all available resources, and matching is met on a project-by-project basis through developer contributions, local funding, and layered financing when applicable.

If appropriate, describe ~~publically~~publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City of Napa is actively utilizing its publicly owned assets to address housing needs. An example is the 2.75-acre parcel at 3875 Jefferson Street, acquired using the 1% Transient Occupancy Tax dedicated to Affordable and Workforce Housing. Through a competitive RFP process, the City is inviting proposals for affordable housing developments where at least 75% of the units serve households earning at or below 80% of AMI aligning with the Surplus Lands Act exemption requirements.

Additionally, the City and County are monitoring statewide legislative opportunities that could expand development capacity on publicly or institutionally owned land. For instance, the Affordable Housing on Faith and Higher Education Lands Act (SB 4) streamlines permitting and promotes by-right development of affordable housing on land owned by faith-based or nonprofit educational institutions, potentially enabling future collaborations at such sites.

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing Rehabilitation	2025	2029	Affordable Housing Non-Homeless Special Needs		Affordable Housing	CDBG: \$431,595.00	Homeowner Housing Rehabilitated: 12 Household Housing Unit
2	Emergency shelter services	2025	2029	Homeless		Homeless Services	CDBG: \$61,792.00	Homeless Person Overnight Shelter: 294 Persons Assisted
3	Outreach/referral for racial/ethnic minority group	2025	2030	Affordable Housing Homeless Non-Homeless Special Needs		Homeless Services	CDBG: \$25,443.00	Homeless Person Overnight Shelter: 47 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Fair housing activities	2025	2030	Non-Homeless Special Needs Non-Housing Community Development		Community Development	CDBG: \$13,085.00	Public service activities for Low/Moderate Income Housing Benefit: 60 Households Assisted
5	Improvements to City facilities & parks	2025	2029	Non-Housing Community Development		Community Development	CDBG: \$25,000.00	
6	<u>Construction of New affordable rental units</u>	<u>2025</u>	<u>2029</u>	<u>Affordable Housing</u>		<u>Affordable Housing</u>	<u>\$868,421.00</u>	<u>Rental units constructed: 39 Household Housing Units</u>

Table 2 – Goals Summary

Goal Descriptions

1Goal Name	Housing Rehabilitation
Goal Description	Provide housing rehabilitation assistance to low-income homeowners and renters for maintenance, rehabilitation, and accessibility modifications. This could include rehabilitation assistance for owners of mobile homes and other homeowners, assistance for rehabilitation and maintenance projects at non-profit affordable housing developments, and accessibility modifications for low-income homeowners and renters, among other activities.

2Goal Name	Emergency shelter services
Goal Description	Provide financial support toward operation of emergency shelters. This goal is consistent with the City's recent use of CDBG funds to support the South Napa Shelter and Rainbow House.
3Goal Name	Outreach/referral for racial/ethnic minority group
Goal Description	Ensure comprehensive outreach to and referral for racial and ethnic minority groups, including the City's sizable Latino/Hispanic population with limited English proficiency, to ensure that service providers are aware of needs among residents belonging to various racial and ethnic minority groups and that all eligible residents are able to access housing and community development programs and resources.
4Goal Name	Fair housing activities
Goal Description	Support outreach and training on fair housing issues, as well as counseling on tenant/landlord issues to resolve disputes and prevent displacement. The City of Napa has addressed this goal during prior Consolidated Plan planning periods by supporting Fair Housing Napa Valley and anticipates continuing this support during the 2020-2025 planning period.
5Goal Name	Improvements to City facilities & parks
Goal Description	Undertake improvements to City of Napa facilities and City parks, including the senior center and City recreational facilities, to provide contemporary ADA accessibility and other improvements to meet community needs.

<u>Goal Name</u>	<u>Construction of New affordable rental units</u>
<u>Goal Description</u>	<u>Support the development of new rental units affordable to low- and moderate-income households. Expanding the supply of rental units that are affordable to low to moderate income households remains a high priority for the City of Napa. CBDG funding levels and federal restrictions on its use for new construction impacts the ability to meaningfully support this goal through the CDBG program.</u>

AP-35 Projects - 91.220(d)

Introduction

The City of Napa has allocated CDBG funding to ~~four~~five projects during the 2025-2026 Fiscal Year, as summarized in Table 3 below. Funding allocated to CDBG administration will provide support to City staff to administer and monitor grants and to prepare CDBG reporting documents. The public services project included in the table below encompasses fair housing services, operational support for the Rainbow House Emergency Shelter, housing navigation services through On The Move’s housing stabilization program, a bilingual (Spanish/English) counselor at NEWS Domestic Violence and Sexual Abuse Services, and outreach for the Hispanic community. Housing Rehabilitation will provide low- and moderate-income households in Napa with funding for accessibility modifications and needed repairs to housing units. Non-Profit Capital improvements will be made at a transitional housing project owned by Mentis and to the new headquarters for Puertas Abiertas Community Resource Center. New Rental Units project will provide funding for land acquisition for development of new affordable rental units.

#	Project Name
1	FHNV
2	Public Service
3	Housing Rehabilitation
4	Non-Profit Capital Improvement Projects
<u>5</u>	<u>New Rental Units</u>

Table 3 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The City of Napa determined allocation priorities based on information presented in the Consolidated Plan along with insights staff learned regarding evolving community needs over the past year. In addition, the City considered the level of resources available from the CDBG program and the potential to leverage these funds to support a range of activities, along with the availability of additional funding sources to address various needs. The allocation priorities in the First Year Annual Action Plan are consistent with priorities outlined in the Consolidated Plan.

A shortage of funding is expected to constitute the primary obstacle to addressing underserved needs in Napa. As shown in the Strategic Plan portion of the Consolidated Plan, the City of Napa has identified 22 goals for the 2025-2030 Consolidated Plan planning period but does not anticipate having the funding necessary to allocate resources toward each of these goals. However, the City continues to search for additional funding sources to support housing and community development goals and apply for funding as appropriate.

AP-38 Project Summary
Project Summary Information

1	Project Name	FHNV
	Target Area	
	Goals Supported	Outreach/referral for racial/ethnic minority group Fair housing activities
	Needs Addressed	Affordable Housing Homeless Services
	Funding	CDBG: \$120,237.00
	Description	This CDBG Planning and Administration project will fund fair housing services provided by Fair Housing Napa Valley, a qualified nonprofit fair housing agency. The project supports fair housing education, outreach, counseling, and complaint intake services that affirmatively further fair housing and address local fair housing priorities identified in the City's Consolidated Plan <u>Proposed Plan</u> . Proposed accomplishments include fair housing outreach and education to residents, landlords, and housing providers; intake and counseling related to alleged housing discrimination; assistance and referral for individuals experiencing fair housing violations; and coordination with appropriate enforcement agencies as needed. Outreach efforts may include workshops, distribution of fair housing materials, and participation in community events <u>Services</u> events . Services will be provided on a citywide basis to residents of the City and individuals seeking housing within the City's jurisdiction. The activity is expected to be carried out throughout the program year, with services provided on an ongoing basis through the end of the program year <u>The year</u> . The project addresses local priority needs related to fair housing choice, access to housing, and prevention of housing discrimination. The activity qualifies under the Low/Moderate Income Clientele (Presumed Benefit) national objective and benefits low- and moderate-income persons and members of protected classes by promoting equal access to housing opportunities within the City.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	Not Applicable.
	Location Description	Citywide.

	Planned Activities	05J <ul style="list-style-type: none"> • Fair housing education and outreach activities • Workshops and distribution of fair housing materials • Intake, counseling, and referral of fair housing complaints • Coordination with state and federal fair housing enforcement agencies • Reporting and documentation of services provided
2	Project Name	Public Service
	Target Area	
	Goals Supported	Emergency shelter services Outreach/referral for racial/ethnic minority group
	Needs Addressed	Affordable Housing Homeless Services Community Development
	Funding	CDBG: \$94,360.00
	Description	All Public Services approved for the 2025 Annual Action Plan including: Catholic Charities, NEWS, On The Move and Puertas Abiertas
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	20 families experiencing homelessness served at the Catholic Charities Rainbow House Family Shelter. 40 survivors of domestic violence and their families served by a bilingual counselor at the NEWS domestic violence shelter. 40 individuals receive rental assistance and housing navigation support. 3,185 households with free referrals, educational programs, social services, immigration guidance, citizenship classes, senior support groups, and counseling survivors of domestic violence and their families through the Promotoras Program.
	Location Description	Citywide.

	Planned Activities	<p>Provide operational support to Catholic Charities for the Rainbow House Family Shelter.</p> <p>Provide funding for a bilingual counselor at the NEWS domestic violence shelter.</p> <p>Provide funding for rental assistance through On The Move’s Housing Stabilization Program.</p> <p>Provide funding for the Promotoras Program outreach through Puertas Abiertas Community Resource Center.</p> <p>03T; 05Z; 05G</p>
3	Project Name	Housing Rehabilitation
	Target Area	
	Goals Supported	Housing Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$293,015.00
	Description	Rehabilitation of housing. Funding includes entitlement funds and unreceived but expected revolving loan program income funds.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that this activity will benefit 12 households with incomes at or below 80 percent of AMI. Households that will benefit from this activity are expected to include seniors, households in need of accessibility improvements, and other households in need of necessary home repairs.
	Location Description	Citywide.
	Planned Activities	<p>Housing rehabilitation for low-income households.</p> <p>14A</p>
4	Project Name	Non-Profit Capital Improvement Projects
	Target Area	
	Goals Supported	Housing Rehabilitation
	Needs Addressed	Community Development
	Funding	CDBG: \$93,576.00

	Description	Capital improvement projects for Non-Profit organizations approved in the 2025 Annual Action Plan including: Mentis and Puertas Abiertas. Transitional Housing home repair for Mentis facility. <u>Roof</u> facility. <u>Roof</u> repairs, ADA improvements, and flooring improvements to Puertas Abiertas facility.
	Target Date	6/30/2026
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 6 households will benefit at the transitional housing project. It is estimated that 3,500 people will be served at this site upon completion of the improvements.
	Location Description	Mentis – Transitional Housing located on Yajome Street in Napa. Puertas Abiertas – 305 Soscol Avenue
	Planned Activities	Transitional Housing home repair for Mentis facility. Roof repairs, ADA improvements, and flooring improvements to Puertas Abiertas facility. 03B; 05Z
<u>5</u>	<u>Project Name</u>	<u>New Rental Units</u>
	<u>Target Area</u>	
	<u>Goals Supported</u>	<u>Construction of New affordable rental housing</u>
	<u>Needs Addressed</u>	<u>Affordable Housing</u>
	<u>Funding</u>	<u>CDBG: \$868,421</u>
	<u>Description</u>	<u>Land acquisition for new affordable rental housing</u>
	<u>Target Date</u>	<u>12/31/2026</u>
	<u>Estimate the number and type of families that will benefit from the proposed activities</u>	<u>39 low-and moderate-income families</u>
	<u>Location Description</u>	<u>515 Silverado Trail in Napa</u>
	<u>Planned Activities</u>	<u>Provide funding for land acquisition in support of new affordable rental unit development.</u>

AP-50 Geographic Distribution - 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of Napa does not allocate CDBG funds based on geographic priority areas. To the extent that activities funded through CDBG serve a particular geographic area, these activities are located in lower-income Census Tracts, according to CDBG regulations (i.e. low/moderate income area benefit). In recent years, these types of activities have consisted of improvements to sidewalks and parks in low-income Census tracts. In addition, Napa allocates funds to organizations that provide housing and services to low- and moderate-income persons based on CDBG program regulations (low/moderate income limited clientele). This has included funding allocated to facilities and organizations providing services to homeless individuals and victims of domestic violence, child facilities, as well as to support fair housing activities.

Geographic Distribution

Target Area	Percentage of Funds

Table 4 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Discussion

Affordable Housing

AP-55 Affordable Housing - 91.220(g)

Introduction

This section specifies goals for the number of households to be provided with affordable housing due to City of Napa CDBG expenditures within the Fiscal Year 2025-2026 by household type and type of activity. Per HUD guidelines, this section does not include the provision of emergency shelter, transitional shelter or social services.

The First Year Action Plan allocates funding to provide households with affordable housing through housing rehabilitation, and land acquisition for a new affordable rental project, as discussed in sections AP-35 and AP-38. The City’s housing rehabilitation activities provide low- and moderate-income households with funding to complete needed home repairs and accessibility modifications, allowing these households to remain in their homes.

One Year Goals for the Number of Households to be Supported	
Homeless	0 <u>39</u>
Non-Homeless	<u>12</u>
Special-Needs	0
Total	<u>51</u>

Table ~~56~~ - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	390
Rehab of Existing Units	12
Acquisition of Existing Units	0
Total	1251

Table ~~67~~ - One Year Goals for Affordable Housing by Support Type

Discussion

AP-60 Public Housing - 91.220(h)

Introduction

This section is not applicable; the City of Napa does not own or operate any public housing units.

Actions planned during the next year to address the needs to public housing

This section is not applicable; the City of Napa does not own or operate any public housing units.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

This section is not applicable; the City of Napa does not own or operate any public housing units.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

This section is not applicable; the City of Napa does not own or operate any public housing units.

Discussion

AP-65 Homeless and Other Special Needs Activities - 91.220(i)**Introduction**

Napa participates in the Napa County Continuum of Care, which coordinates housing and supportive services to assist homeless individuals and families in securing permanent housing. The City's First Year Annual Action Plan supports the Continuum of Care's activities to address homelessness.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The City of Napa addresses homelessness on an ongoing basis in coordination with the Napa City-County Continuum of Care. As a part of these efforts, the City of Napa holds contracts for and seeks out funding to support a variety of street outreach, intervention, and prevention and diversion programs. Napa's one-year goals and projects specified in the Fifth Year Annual Action Plan support these efforts by providing operational support to the Catholic Charities' Rainbow House Family Shelter, which offers outreach, assessment, and referral to households experiencing homelessness. In addition, the Fifth Year Annual Action Plan includes funding for a Spanish-speaking counselor at the NEWS domestic violence shelter. The City continues to utilize General Fund money to leverage support for operational expenses of the South Napa Shelter and operates the North Napa Center as a secondary shelter through the Encampment Resolution Funding Grant.

Addressing the emergency shelter and transitional housing needs of homeless persons

The First Year Annual Action Plan allocates funding to provide support to the Catholic Charities' Rainbow House Family Shelter and NEWS domestic violence shelter, both of which support the City's ongoing efforts to address emergency and transitional housing needs in Napa. The City of Napa also engages in ongoing activities to address the emergency shelter and transitional housing needs of homeless persons through participation in the Continuum of Care and by maintaining close networks with agencies that provide emergency and transitional housing to Napa residents. Additionally, the City ensures that local policies facilitate the development of emergency and transitional housing. Furthermore, the City, Housing Authority, and County have worked with outside consultants to redesign the community's homeless system in order to implement national best practices including a housing-focused approach. The changes to the system began implementation in Fiscal Year 2017-2018 and have continued to evolve into an operational model. The changes implemented to date include a new homeless shelter system operator, 24-hour services at the South Napa Shelter, a change of location for the family homeless shelter, enhanced case management, a new vision for the street outreach and intervention teams, the opening of a non-congregate homeless shelter, and consolidated and easier access to services.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Along with the City of Napa, there are a number of agencies in and near Napa that provide assistance to help homeless persons make the transition to permanent housing, as detailed in section MA-30 of the Consolidated Plan. The City engages in ongoing coordination with these agencies, in part through participation in the Napa County Continuum of Care.

This Annual Plan allocates funding to the Catholic Charities' Rainbow House Family Shelter, On The Move, and NEWS domestic violence shelter, all three agencies provide services to assist individuals and households transition from homelessness to permanent housing. The City's ability to further support services for people transitioning from homelessness is somewhat limited by funding constraints, including the CDBG program's 15 percent cap on public services spending. However, as described above, the City, Housing Authority, and County have redesigned the community's housing and shelter system to shorten shelter stays, increase the number of homeless households leaving shelters for permanent housing, and increase households' capacity to remain in their housing, focusing on prevention before homelessness occurs.

In addition to services that are tailored specifically for households transitioning from homelessness, access to affordable housing is critical in ensuring homeless individuals and families transition from homelessness. Although Napa's First Year Annual Action Plan does not allocate CDBG funds to support the construction of new affordable units, the City uses its Affordable Housing Impact Fee Fund, One Percent TOT for Affordable and Workforce Housing, and other funding sources to provide financial support to affordable developments. In the Fiscal Year 2024-2025, the City completed one new permanent supportive housing project that provides 44 units to low-income households placed through the County's Coordinated Entry System. In Fiscal Year 2023-2024, a 54-unit permanent supportive housing project assisting low-income households became available for occupancy. Both projects require precise coordination between the developer, City, Housing Authority, County, funders, and service providers. In Fiscal Year 2024-2025, the City completed an additional housing project that provides 90-units to households.

Napa also ensures that City ordinances and policies are designed to facilitate affordable housing production and remove constraints to the development of affordable housing. Programs to address the City's affordable housing needs are discussed in greater detail elsewhere in the Consolidated Plan and in the City's Housing Element.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The City implements a number of policies and programs to provide access to affordable housing, which is essential to prevent homelessness among at-risk households, as detailed elsewhere in this document and in the City's Housing Element. Ongoing actions that the City of Napa engages in to provide access to affordable housing include, but are not limited to:

- Operating the Section 8 HCV program through the HACN;
- Providing rental assistance through the HACN Family Unification Program, which can be used by youth aging out of foster care and by families at-risk of losing their children due to lack of housing or risk of homelessness;
- Adopting land use and other regulations that support the development of affordable housing, emergency shelters, transitional housing, and permanent supportive housing; and
- Providing financial support for affordable housing activities, including using available funding sources to provide financial support to assist in the development of new affordable housing and housing for at-risk populations or populations with special needs.
- The City has launched a pilot diversion and prevention program to assist with stabilizing households to prevent homelessness and or reducing the amount of time a client experiences homelessness if they can be connected with stable housing resources.

Many extremely low-income and special needs households may require specific services to avoid becoming homeless. Sections MA-30 and MA-35 of the Consolidated Plan detail services available to households in Napa that are at risk of becoming homeless, many of which are supported in part through coordination between the City and other organizations. In addition, the First Year Annual Action Plan allocates funding to support fair housing activities, which can assist in preventing wrongful evictions and discriminatory housing practices that could result in homelessness. A shortage of funding constitutes the primary barrier to helping low-income individuals and families to avoid becoming homeless.

Discussion

AP-75 Action Plan Barriers to Affordable Housing - 91.220(j)

Introduction

The City of Napa engages in ongoing efforts to ensure that local policies generally support the production of both market-rate and affordable housing and remove constraints to residential investment. In accordance with State law, the City of Napa adopted a Housing Element Update in early 2023 that details how the jurisdiction will plan for affordable housing, including an analysis of public policies that serve as barriers to affordable housing and specific actions that the City will take to remove any barriers. The City's Housing Element has been approved by the State of California Department of Housing and Community Development (see Section MA-40 of the Consolidated Plan). The Housing Element includes actions that the City will take to further support affordable housing through City policies, as discussed below.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City of Napa's 2023-2031 Housing Element includes the following programs to remove barriers to the provision of new and rehabilitated affordable housing:

- Identification of 86 sites to meet Napa's Regional Housing Need Allocation (RHNA) goal of 2,669 new units for the planning period (which includes 1,806 units for extremely low to moderate income households). The Housing Element indicates these 86 sites have a combined development capacity of over 3,500 housing units (32% over RHNA).
- Adoption of the Napa 2040 General Plan, which designated numerous additional mixed-use sites that allow for multifamily housing.
- Increase in residential density allowances throughout the City to encourage residential development.
- Zoning and Municipal Code amendments to implement new mixed-use development standards outlined in the General Plan

Numerous additional policies and programs in the City of Napa's Housing Element work together to reduce barriers to affordable housing.

During the planning period of this plan, the City will reassess potential barriers to affordable housing and strategies to address any barriers as part of the Housing Element Update for the 2032-2039 Housing Element planning period.

Discussion

AP-85 Other Actions - 91.220(k)

Introduction

The City of Napa uses a number of strategies to address the affordable housing, homeless, and community development needs identified in the Consolidated Plan. This section provides an overview of the City's ongoing activities and planned future actions to address obstacles to meeting underserved needs, foster and maintain affordable housing, reduce lead-based paint hazards, reduce the number of poverty-level families, develop institutional structure, and enhance coordination between housing providers and social service agencies.

Actions planned to address obstacles to meeting underserved needs

As discussed in section AP-35 above, a shortage of funding for affordable housing, homeless services, and community development activities is the primary obstacle to meeting underserved needs in Napa. The City of Napa actively pursues federal, state, local, and private funding sources to address underserved needs, and will continue to explore new and existing funding sources during the planning period and in subsequent years.

Actions planned to foster and maintain affordable housing

The City of Napa has a number of policies already in place and additional planned actions to foster and maintain affordable housing during the 2025-2026 Fiscal Year as well as in subsequent years. Ongoing and planned future actions to support the development and preservation of affordable housing are detailed in the City's 2023-2031 Housing Element and throughout the 2025-2035 Consolidated Plan. These actions include, but are not limited to:

Identification of sites for affordable housing, including sites zoned to densities sufficient to make affordable housing development feasible;

Providing Section 8 HCVs to low-income households through the Housing Authority;

Efforts to ensure that City zoning regulations and other policies support the development of affordable and special needs housing;

Collecting impact fees for market-rate residential and nonresidential development and a One Percent TOT for Affordable and Workforce Housing, which the City uses to support future affordable housing activities;

Monitoring properties with affordability restrictions to determine when restrictions are set to expire and working with property owners to maintain affordability;

Implementation of the City's Condominium Conversion Ordinance, which prevents the conversion of

rental units when there is a shortage of rental housing; and

Providing financial assistance to support the development and preservation of affordable housing and housing for households with special needs.

~~While Napa~~The City ~~does not~~ plans to use CDBG funds to support the construction of ~~one~~ new affordable ~~housing rental project units units~~ during the 2025-2026 Fiscal Year, ~~the~~ The City ~~does also~~ intends to use other available resources to support the development of affordable housing ~~as well~~. The City ~~expects to have~~has approximately \$~~8.91~~ million in its Housing Impact Fee Fund ~~by as of June April 30 2022, 2025 2026~~, approximately \$~~4.871~~ million of which is reserved for loans to support affordable housing in Napa. The City also ~~anticipates having~~has approximately \$~~9.579~~ million available from its One Percent TOT for Affordable and Workforce Housing ~~by as of June April 22, 30, 2025 2026~~, ~~approximately with approximately \$264,000 3.7 million of which is reserved for loans~~ to support affordable and workforce housing in Napa. As additional revenues accrue to the City from these and other sources, the City will make these funds available to support affordable housing activities, including new construction and preservation, on an ongoing basis.

The City's Housing Impact Fee revenues depend on Napa construction activity, while the One Percent TOT Fund funding from local hotels is affected by spending at local hotels, both of which are somewhat dependent on local economic activity. TOT funds were impacted by the COVID-19 pandemic and its economic effects on tourism and lodging. While construction may not be as affected in the near term, Napa can expect a decrease in construction activity due to ongoing economic volatility, reducing demand for new commercial space and market-rate residential units. Consequently, the City may collect less revenue than expected until economic conditions improve.

As shown throughout the Consolidated Plan, the City continues to apply CDBG funds to support housing rehabilitation for low- and moderate-income households during the 2025-2026 Fiscal Year and in future years. The City's Housing Rehabilitation Program helps to preserve existing units and allows low- and moderate-income households to remain in their homes.

Actions planned to reduce lead-based paint hazards

As discussed in section SP-65 of the Consolidated Plan, Napa operates a Lead Based Paint Abatement Program as part of the City's Rehabilitation Loan Program. The First Year Annual Action Plan will continue to implement housing rehabilitation activities, as discussed in sections AP-35 and AP-38 above, and the Lead Based Paint Abatement Program will continue to be incorporated into City-funded housing rehabilitation activities. All low- and moderate-income residents of Napa are eligible for the program and lead based paint testing.

Actions to address lead-based paint programs are integrated into housing policies and procedures due

to the incorporation of testing and remediation of lead hazards in the City's Housing Rehabilitation Program and the HACN's Section 8 HCV program. The City's Housing Rehabilitation Supervisor, who oversees the Housing Rehabilitation Program, is certified as lead-based paint inspectors and risk assessors with the California Department of Public Health. The City also distributes information on lead-based paint to participants in the HACN's Section 8 HCV program and Housing Rehabilitation Loan program. In addition, the City specifically prohibits contractors that participate in City housing programs from using lead-based paint in their work.

Actions planned to reduce the number of poverty-level families

The Annual Plan allocates funding for the Catholic Charities' Rainbow House Family Shelter, On The Move, and the NEWS domestic violence shelter, all three agencies provide services to families in crisis. Services provided at these facilities include counseling, assistance with finding employment, and other services to help families to exit from homelessness.

The City of Napa addresses poverty through affordable housing policies and economic development efforts, aiming to provide stable living environments and job opportunities for low-income households.

In addition to programs and policies that are implemented by City agencies, the City of Napa addresses poverty through close coordination with governmental and nonprofit service agencies that provide permanent supportive housing and services that address barriers to overcoming poverty. Relevant services available through other governmental or non-profit agencies include job training, assistance with finding employment, low-cost or subsidized childcare, life skills training, mental health services, and drug and alcohol counseling, as detailed in sections MA-30 and MA-35 of the Consolidated Plan. The City and other agencies that serve low-income households and homeless individuals and families provide cross-referrals to ensure that residents are aware of all available services and potential housing opportunities.

Actions planned to develop institutional structure

The City of Napa engages in ongoing internal coordination and coordination with other agencies to address affordable housing, homeless, and community development needs in the City, and will continue this coordination during Fiscal Year 2025-2026 and in subsequent years. The institutional structure that addresses these needs is described in detail in section SP-40 of the Consolidated Plan. Key agencies in the institutional structure include the City of Napa, the Housing Authority of the City of Napa, the Napa County Housing and Homeless Services Division, affordable housing providers, homeless service providers, agencies that offer housing and supportive services to formerly homeless individuals and families and those at risk of homelessness, and other health and social service agencies.

Actions planned to enhance coordination between public and private housing and social service agencies

The City of Napa continues to participate in the Napa County Continuum of Care, which serves a critical role in coordinating services between public agencies, affordable housing providers, and social service agencies. Representatives from the Napa Police Department and the Housing Authority of the City of Napa plan to continue to serve on the Continuum of Care Governing Board to further these efforts. In addition, on an ongoing basis the City of Napa works with affordable housing developers to construct and manage affordable housing in the City and with County agencies and nonprofit service providers to provide social services to residents. The City will continue to support these entities to address affordable housing, homeless services, and community development goals during the Fiscal Year 2025-2026.

Additionally, as described in AP-65, the City, County and Housing Authority continue to work to redesign the community's homeless system to incorporate a housing focus and implement national best practices to shorten shelter stays and increase the number of households moving from homelessness into permanent housing.

Discussion

The City of Napa has standard procedures in place to monitor subrecipients. All subrecipients are required to maintain documentation of clients benefiting from activities funded through the CDBG program. Subrecipients remit Quarterly Performance reports to the City in which they certify that low- and moderate-income persons are being served. The Quarterly Performance Reports provide the number of persons served by income level, race and ethnicity. The City also requires that the subrecipients in public service set quantifiable goals for their unique service. The unique goals are also reported on the Quarterly Performance Report and staff works with subrecipients when the goals are not achieved. The reporting of the levels of achievement also assists the CDBG Citizens' Advisory Committee in making future funding decisions.

In addition to self-reporting of programs funded by CDBG, City staff performs annual risk assessment and monitoring of subrecipients. Staff verifies that applicable laws and regulations are being followed in addition to monitoring for performance, internal controls, and compliance with eligibility requirements. Problems or weaknesses are noted, and City staff works with subrecipients to resolve any issues in a timely manner.

Program Specific Requirements

AP-90 Program Specific Requirements - 91.220(l)(1,2,4)

Introduction

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	80.00%

Discussion