



*Calistoga Chamber
of Commerce*

Workforce Challenge within Calistoga

*Have we moved from “challenge” to “crisis”?
If so...now what?*



*Calistoga Chamber
of Commerce*

The Situation (Challenge):

Access to a “qualified” workforce

- Unemployment rate in Calistoga is 1.2% vs. NV at 3 ish%
- Regional available housing stock significantly impacted by October wildfires (housing availability and affordability)
- 400+ new jobs coming online within 3 years in Calistoga
- Escalating wage rates are outpacing inflation and not adding new employees
- New property openings in Santa Rosa and Napa reduce available workforce for Calistoga (reduces/eliminates commute)
- Calistoga is a “commute in” community
 - Nearly 60% of our employees commute into Calistoga

The Solutions (Options):

Housing

- An employer or industry supported solution must be pursued
- The public sector cannot and will not solve this problem alone
- Housing options and types need to be “workforce friendly”
 - Smaller in size, higher in density
 - Rentals vs. owned (more transient population: potential J1 programs)
- A significant and consistent funding source remains a challenge

Transportation

- An employer supported solution is the only option
 - Calistoga blazed the trail on this model in Napa County but employer support was lacking (the program was ahead of it time or premature)
- A significant and consistent funding source remains a challenge

This is a County-Wide Issue that is Exacerbated in Calistoga:

NEEDS ASSESSMENT

Workforce Demographics / Characteristics (by jurisdiction)

- Age, income levels, household composition, single earner households, etc.
- Economic and workforce trends; regional growth projections
- Jobs by industry and wage levels
- Part time vs. full-time jobs; multiple job holders

Definition of “Workforce Housing”

- Define affordability gap for the workforce by industry
- Identify housing types suitable for and desirable to various sectors of the workforce

This is a County-Wide Issue that is Exacerbated in Calistoga:

NEEDS ASSESSMENT (cont'd)

Housing Stock

- Current housing stock assessment by jurisdiction, housing conditions, occupancy and vacancy, cost burden on households

Housing Market Characteristics & Conditions

- Housing market conditions, pricing and what's affordable to the workforce
- Current inventory, anticipated housing capacity based on projections and pipeline projects
- Development feasibility and barriers

Local Housing Programs & Policies that Intersect with Workforce Housing

- Current affordable housing funding sources and restrictions
- Other housing policies that promote workforce and affordable housing

This is a County-Wide Issue that is Exacerbated in Calistoga:

STRATEGY PROPOSALS / RECOMMENDATIONS

- Regulatory changes to facilitate desired development types
- Land-banking, pre-zoning, predevelopment activities
- Funding mechanisms and feasibility
- Oversight and management, private versus public



*Calistoga Chamber
of Commerce*

What is the current housing situation in Calistoga?



*Calistoga Chamber
of Commerce*

Calistoga by the numbers:

- Population:

- Current 2016: 5,180
- Projected 2030: 5,500
- Projected 2040: 5,600

- Gender:

- Female: 50.9%
- Male: 49.1%

- Ethnicity:

- Hispanic: 49.4%
- White (non-Hispanic): 47.7%
- Other: 2.9%

- Age:

- Under 18 22.6%
- 18 to 64 58.7%
- Over 65 18.7%

Sources: US Census Bureau 2010 actual & 2015 projected; UC Berkeley Urban Displacement Study 2013; CA Dept. Finance; MTC/ABAG.

Calistoga by the numbers (What we earn):

- Employment:

- Jobs in 2015 2,340
- Unemployment Rate 1.2%
- Projected Jobs 2020 2,450
(known new jobs by 2020 +400)

- Income:

- Median Household Income 2014:
\$43,336*

(*RCAC household income survey)

- Low Income Households:

- 59.38%*

(*RCAC household income survey)

- Poverty Rate:

- 14% to 19.8%

(depends on who you ask)

Sources: US Census Bureau 2010 actual & 2015 projected; UC Berkeley Urban Displacement Study 2013; CA Dept. Finance; MTC/ABAG.

Calistoga by the numbers :

- Housing Units 2016: 2,370
 - Single Family 52.4%
 - Mobile Home 25.4%
 - Multi-Family (2-4 units) 10.3%
 - Multi-Family (5+units) 11.9%

- Residents:
 - Renters: 40.2%
 - Home owners: 59.8%

(est. 15% of housing stock are 2nd homes)

- Household Size:
 - 1 person 31.7%
 - 2 person 31.4%
 - 3-4 persons 25.3%

- Median Sales Price:
 - \$630,000

(+26.1% past 5 yrs)

Sources: US Census Bureau 2010 actual & 2015 projected; UC Berkeley Urban Displacement Study 2013; CA Dept. Finance; MTC/ABAG.

Changing the “language” around housing:

- We no longer discuss “affordable housing”
 - Implies only low to very low income
 - Conjures up images of housing “projects”
 - Activates NIMBYism
- We now speak about “housing that is affordable”
 - Applies to many income levels (including moderate to middle and “workforce”)
 - Creates attitude of community
 - Actuates inclusion

The problem is mathematic:

- Current average rental: \$2,695 mo.
 - 2 bedroom / 1+ bathroom
 - 1,200 sq. ft
- Annual household income required to “make rent”: \$103,750
 - HUD suggested “30% of income standard”
- Median household income: \$43,366

What Needed to Happen:

✓ Establish Political Will

- Get the Community, the Council, and Staff aligned on the need for *housing that is affordable*
- Understand and appreciate challenges and challengers (not always the same)

✓ Seek Out Opportunities

- Identify “certified” parcels now for future housing development
- Establish a parcel priority list

✓ Get Creative When it Comes to Densities

- General Plans & Zoning Regulations are not written in stone (guidelines not gospel)
- Plagiarize from other communities where success has happened

✓ Partner, Partner, Partner

- Local government should not be in the business of building housing but should facilitate it
- The private sector needs to be engaged, involved and fully invested



*Calistoga Chamber
of Commerce*

It's only \$\$\$\$\$



*Calistoga Chamber
of Commerce*

The Funding Recommendation:

A significant and consistent funding source is needed

- A county-wide endeavor, initiated by Calistoga, to secure employee housing and transportation funding via TOT or WHID (Workforce Housing Improvement District) has begun
- The proposal is to increase TOT or WHID by 1% and designate/restrict these funds for employee housing and transportation
- There are pros and cons for each type of fund sourcing which are being explored currently
- There is little concern about any “competitive” disadvantage to a modest increase in an occupancy related guest fee or

Options: TOT vs. WHID

	Special Tax (TOT)	Workforce Housing Improvement District
Levied On	Room nights paid by hotel guests as a special tax for a specified purpose (workforce housing)	Room nights paid by hotel guests as an improvement district levy for a specified purpose (workforce housing)
Approved By	Voters, 2/3 affirmative	Lodging properties, 51% of total assessment
Approval Process	<ul style="list-style-type: none"> - Education campaign - Polling (if necessary) - Participating jurisdictions adopt ordinance with language for inclusion on ballot - County Registrar tallies votes 	<ul style="list-style-type: none"> - Similar to existing TID, campaign aimed at lodging properties - Special benefit study - Participating jurisdictions hold required public hearings, prepare and approve resolutions, administer voting, collect and count ballots - A District Management Plan for the expenditure of the funds must be prepared and approved in accordance with state law
Up-front Cost	Unknown; possible polling, information campaign, fees for including on public ballot	Up to \$35k (Calistoga quote) for legal advisor to help administer the process,
Time Frame	November 2018 <i>(State housing proposal is on the 2018 ballot; Affordable Housing Coalition considering a Napa County housing bond for 2020 ballot)</i>	Timing is flexible, but aim to have in place for Jan 2019 <i>(check with CAC re: time frames & deadlines for assessments)</i>

Options: TOT vs. WHID

	Special Tax (TOT)	Workforce Housing Improvement District
Risk	May not get 2/3 vote, won't know until election results are tallied; State ballot measure may confuse voters or dilute effectiveness of local option in their eyes	Risk of not getting required votes is lower than special tax option, and outreach efforts should provide a good indication of potential outcome and concerns can be addressed; 30-day appeal period helps mitigate legal risk; other cases being litigated may create precedent
Lodging Industry considerations	<ul style="list-style-type: none"> - A special tax would likely have a broader defined purpose than an assessment and therefore could be spent more flexibly - While lodging can be supportive of a special tax initiative, such a measure can be proposed by anyone at any time and doesn't require involvement or oversight from the industry 	<ul style="list-style-type: none"> - An assessment would be initiated and approved by the industry, for the benefit of the industry and the community at large - Assessment funds can and should be leveraged with other funding sources to create dynamic workforce housing available to the community - Expenditures may be fairly narrow and must create a "special benefit" to the payees (lodging)

“Competitive” Market Assessments

Jurisdiction	Other Guest Levies	TID Assessment	Total Assessment	Year Approved
HIGHER THAN NAPA COUNTY				
Anaheim/Garden Grove	15%	2%	17%	2010
Healdsburg	14%	2%	16%	2016
Long Beach	12%	3%	15%	2005
Los Angeles	14%	1.50%	15.5%	2011
Mammoth Lakes	13%	1 - 2%	14 - 15%	2013
Palm Springs	13.5%	1%	14.5%	2016
Palm Springs	13.5%	3%	16.5%	2008
Pasadena	12.1%	2.89%	14.90%	2003
Sacramento	12%	1-3%	13 - 15%	2000
San Francisco	14%	1.3125 - 2.75%	15.3-16.75%	2008
San Jose	14%	\$1.25 - \$2.75/nite	14% + \$ nite	2006
Santa Monica	14%	\$2.50-\$4.50/nite	14% + \$ nite	2013
West Hollywood	12.5%	3.0%	15.5%	1989
SAME AS NAPA COUNTY				
Bishop	12%	2%	14%	2014
Buena Park	12%	2%	14%	2016
Conejo Valley	12%	2%	14%	2013
Santa Maria	12%	2%	14%	2016
Sonoma County	12%	2%	14%	2004
OTHER WINE REGIONS				
Monterey	10%	.50 - \$2.50/nite		2006
Paso Robles	10%	2%	12%	2008
Ojai	10%	1%	11%	2012
Santa Barbara so. Coast	10.9%	.50 - \$2.00/nite	10.9% +	2010
Sonoma City	10%	2%	12%	2012
Temecula	8%	4%	12%	2005
Temecula Wine	10%	2%	12%	2016

Next Steps:

- Achieve local industry alignment and cooperation for pursuing the proposed concept
- Acknowledge that these are not short-term solutions
- Evaluate best option for utilization of funds collected from a special TOT or WHID
- Establish timeline for moving forward which will vary by funding mechanism selected
- Continue to work with County-wide partners
- Review conditions for re-establishing Calistoga Employee Shuttle



*Calistoga Chamber
of Commerce*

Questions, Comments, Concerns



*Calistoga Chamber
of Commerce*