



Proposed TOT
for Affordable
& Workforce
Housing

June 19, 2018

Agenda Item:

- Approve first reading & introduction of an ordinance Receive report on proposed ballot measure
- Provide direction on:
 - Proposed ballot question
 - Approach for ballot argument



Proposed Transient Occupancy Special Tax (TOT)

- 1% TOT levied on visitors
- Each jurisdiction in Napa County being asked to consider this proposal
- Restricted for affordable & workforce housing
 - Estimated \$2.1M per year for Napa
- Requires 2/3 voter approval in November



Current Housing Funding

- Most affordable housing projects are targeted to 60% of median & below
 - Leverage State/federal funding
 - \$55,080 for household of four
- City's Housing Impact Fee Fund capped at 80% of median
 - \$74,500 for household of four
- Leaves "missing middle" unassisted
 - 61%-120% of median



How TOT Funding Could Be Used

- Affordable housing
 - Up to 80% of area median
 - \$74,500 for household of four
- Workforce housing
 - Up to 120% of area median
 - \$109,200 for household of four
- Potential strategies
 - “Missing middle” (60%-120% of median)
 - Leverage existing funds (up to 60% of median)



Types of Projects

- Rental
- Homeownership
- New construction
- Rehab of existing housing
- Conversion of existing housing
- Mobile home assistance



Next Steps

- July 17, 2018 City Council meeting:
 - 2nd reading of ordinance
 - Call for General Municipal Election
 - Request County to consolidate City's election with statewide general election
 - Approve ballot question
 - Direct City Attorney to prepare impartial analysis
 - Identify who authorized to prepare ballot arguments



Next Steps (con't)

- July 31: Board of Supervisors meeting
 - County take action
- July-November: public education campaign, etc.
- November 6: election
- If 2/3 voters approve, TOT goes into effect 10 days after election results



Proposed Ballot Question

“To increase, improve, and preserve affordable and workforce housing in the City of Napa, shall an ordinance be adopted to levy an ongoing transient occupancy tax (hotel tax) of 1% on hotel charges to visitor of 30 days or less, increasing the maximum hotel tax rate from 12% to 13%, with all revenue from the new tax (estimated at \$2,100,000) to be restricted to providing programs and services for affordable and workforce housing?”



Ballot Arguments

- Ballot Arguments
- Under NMC Section 1.08.035 and Policy Resolution N. 32, City Council may authorize the preparation of:
 - Ballot Arguments in favor of the Measure
 - Ballot Argument in rebuttal to any argument against the Measure



Ballot Argument Options

- City Council approve as body
 - 1 to 2 councilmembers delegated to work on arguments
 - Bring back draft for Council approval
 - Requires special meeting

OR

- City Council delegates authority
 - To no more than two members of Council
 - To no more than five total persons (including Council)
 - Does not require subsequent Council meeting



Examples of Delegation for 2014 Ballot Measures

- Measure A (Napa Pipe RUL change)
 - Jill Techel, Kathleen Dreessen, Ginny Simms, Ken Frank, & Mark Luce
- Measure B & C (Charter Changes related to personnel)
 - Jill Techel, Scott Sedgley, Pat Thompson, Travis Stanley, & John Glaser



Requested Actions

- Approve first reading & introduction of an ordinance amending Napa Municipal Code Title 3 by enacting a new Chapter 3.22 to establish a one percent Transient Occupancy Special Tax for Affordable and Workforce Housing
- Provide input on proposed ballot question
- Provide direction on how to approach ballot arguments

