



Proposed 1%  
TOT Ballot  
Measure

May 15, 2018

## Agenda Item:

- Receive report on proposed ballot measure
- Provide direction



## Visit Napa Valley's Proposal

- Visit Napa Valley taking leadership role in this effort
- County & each of cities/town being asked to seek 1% increase to TOT
  - November ballot measure
  - City's cost = \$10K-\$15K
  - Special tax for affordable & workforce housing
  - New funding for housing
    - \$2.1M per year in Napa
    - \$5M countywide



## TOT

- Transient Occupancy Tax (TOT)
  - Tax on lodging (stays 30 days or less)
  - Can be general or special tax
- Special Tax
  - Specific purpose
  - Requires 2/3 vote
- Current charge on lodging = 14%
  - TOT = 12%
  - Tourism Improvement District Assessment = 2%



California TOT Comparison with TID Assessments			
Jurisdiction	Other Guest Levies	TID Assessment	Total Assessment
<b>HIGHER THAN NAPA</b>			
Anaheim/Garden Grove	15%	2%	17%
Healdsburg	14%	2%	16%
Long Beach	12%	3%	15%
Los Angeles	14%	1.50%	15.5%
Mammoth Lakes	13%	1 - 2%	14 - 15%
Palm Springs	13.5%	1%	14.5%
Palm Springs	13.5%	3%	16.5%
Pasadena	12.1%	2.89%	14.90%
Sacramento	12%	1-3%	13 - 15%
San Francisco	14%	1.3125 - 2.75%	15.3-16.75%
San Jose	14%	\$1.25 - \$2.75/nite	14% + \$ nite
Santa Monica	14%	\$2.50-\$4.50/nite	14% + \$ nite
West Hollywood	12.5%	3.0%	15.5%

<b>SAME AS NAPA</b>			
Bishop	12%	2%	14%
Buena Park	12%	2%	14%
Conejo Valley	12%	2%	14%
Santa Maria	12%	2%	14%
Sonoma County	12%	2%	14%
<b>OTHER WINE REGIONS</b>			
Monterey	10%	.50 - \$2.50/nite	
Paso Robles	10%	2%	12%
Ojai	10%	1%	11%
Santa Barbara so. Coast	10.9%	.50 - \$2.00/nite	10.9% +
Sonoma City	10%	2%	12%
Temecula	8%	4%	12%
Temecula Wine	10%	2%	12%

US Domestic Markets Comparison (Sample)			
Jurisdiction	Room Revenue	Other Guest Levies	Total Assessment
Steamboat Springs, Colorado	2%	10.65%	12.65%
Vail, Colorado	1.4%	8.4%	9.8%
Tampa Bay, Florida	1.5%	12%	13.5%
Wichita, Kansas	2.75%	13.5%	16.25%
New Orleans, Louisiana	1.75%	14%	15.75%
Portland, Oregon	2%	11.5%	13.5%
Philadelphia, Pennsylvania	0.75%	15.5%	16.25%
Dallas, Texas	2.26%	13%	15.26%
Fort Worth, Texas	2%	14%	16%

## Napa's Workforce: Top 4 Sectors

	<u>2017</u>	<u>Est. 2022</u>	<u>Average Pay</u>
Hospitality <i>Lodging, Restaurants, Tasting Rooms</i>	11,690	14% to 13,277	\$ 37,994
Manufacturing <i>Wine Production</i>	12,175	< 1% to 12,544	\$ 86,100
Government/Education	10,653	< 1% to 11,351	\$ 94,471
Health Care/Social Asst.	8,392	11% to 9,337	\$ 66,779

3,779 New Jobs Projected by 2022: 9% increase)

Workforce Alliance of the North Bay, Emsi 2018, Cass Walker Co.

# Affordable & Workforce Housing

- 2018 income limits for household of 4 in Napa
  - Very-low 50% of median = \$46,550
  - Low 80% of median = \$74,500
  - Median 100% of median = \$91,000
  - Moderate 120% of median = \$109,200



## 30% of Salary for Housing Costs

Earner Category	30% of Monthly Earnings
Very Low	\$ 1,164
Low	\$ 1,377
Median	\$ 2,275
Moderate	\$ 2,730

*Based on 2018 income data*

Apartment Rents, City of Napa (2 Bedroom)	
Built Pre-2003	Built Post-2003
<b>\$ 1,718 - \$2,981</b>	<b>\$ 2,493 - \$2,900</b>

Home Ownership, City of Napa 30-year Fixed Mortgage	
Median Home Price	\$ 655,000
Down Payment 20%	\$ 131,000
Monthly Loan Payment	\$ 2,941
Prop tax, Insurance	\$ 700
<b>Total monthly cost</b>	<b>\$ 3,641</b>

*Gasser Foundation, Cass Walker Co.*

## Affordable & Workforce Housing (continued)

- Most affordable housing projects are targeted to 60% of median & below
  - Leverage State/federal funding
  - \$55,080 for household of 4
- City's Housing Impact Fee Fund capped at 80% of median
  - \$74,500 for household of 4
- "Missing middle"
  - 61%-120% of median not being assisted



## What Could 1% Pay For?

- Projects aimed at "missing middle"
  - "Workforce housing"
  - Up to 120% of median?
- Leverage for affordable housing projects to get them built faster
- Land
- Down payment assistance
- Etc.



## Next Steps

- Very tight timeframe
- June 19 - City Council meeting:
  - Return with proposed ballot measure
  - Procedural steps
  - Resolution requesting County to consolidate ballot measure
- July 31 - Board of Supervisors meeting:
  - County take action
- July-November: public education campaign, etc.



- Staff seeking discussion & direction on proposed ballot measure

