

RESOLUTION R2018-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, APPROVING AMENDMENTS TO THE JUNIOR UNIT INITIATIVE PROGRAM AND APPROVING A BUDGET ADJUSTMENT OF \$250,000 FOR THE PROGRAM

WHEREAS, Resolution R2017- 086, adopted on June 20, 2017, authorized the City to implement the Junior Unit Initiative Loan Program (the “Program”) to expand the supply of affordable housing in the City of Napa by encouraging and facilitating the creation of Junior Accessory Dwelling Units within owner-occupied single family residences; and

WHEREAS, under the Program, the City provides financing and construction management services to homeowners who agree to make either the primary unit or the Junior Accessory Dwelling Unit available for rent to low-income households at an affordable rent; and

WHEREAS, the North Bay fires in October 2017 resulted in a dramatic increase to the cost of construction materials and decrease in the availability of contractors, both of which have dramatically increased construction costs for the Program; and

WHEREAS, due to the increasing costs of construction, the City desires to increase the maximum loan amount available through the Junior Unit Initiative Program by \$10,000 to a total of \$50,000; and

WHEREAS, the City desires to modify the Program to provide for grants of up to \$2,000 for architectural design services as needed to design junior units; and

WHEREAS, due to these additional costs, the City desires to increase the Program’s funding by \$250,000; and

WHEREAS, the City desires to modify the Program to making funding available not only for the construction of Junior Accessory Dwelling Units but also for the conversion of existing accessory structures to Accessory Dwelling Units as defined in Section 17.06.030 of the Napa Municipal Code; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

ATTACHMENT 1

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

2. The City Council hereby approves the following modifications to the Program general criteria set forth in Section 2.A-C of R2017-086:

- A. The program shall be used to fund construction of new "Junior Accessory Dwelling Units," as defined under Napa Municipal Code ("NMC") Section 17.52.015(F) and/or the conversion of existing accessory structures to "Accessory Dwelling Units" as defined under NMC Section 17.06.030 and shall be open to Eligible Households, as defined under Section 2(B) below.
- B. "Eligible Households" shall mean households that own single family homes within the city limits of the City of Napa and agree to rent either the primary unit or the Junior Accessory Dwelling Unit/Accessory Dwelling Unit to "Low-Income Households" at affordable rents for up to 20 years. "Low Income Households" shall mean households whose total household income does not exceed 80% of area median income as established annually by the U.S. Department of HUD adjusted by actual household size.
- C. The Community Development Director shall establish a set of objective review criteria and an application process, with Eligible Household applicants placed on a waiting list and selected for participation on a first come, first served basis. Financing for each Eligible Household may include 1) up to \$50,000 for the creation of Junior Accessory Dwelling Unit or the conversion of an existing accessory structure to an Accessory Dwelling Unit in the form of a 0% 20-year loan which shall be forgiven 5% per year that either the Junior Accessory Dwelling Unit/Accessory Dwelling Unit or the primary unit is rented to a low-income household at an affordable rent, (2) up to \$5,000 in the form of a grant for American with Disability Act (ADA) improvements made to either the Junior Accessory Dwelling Unit/Accessory Dwelling Unit or the primary dwelling unit if it will be rented to the Low Income Household at affordable rent and (3) up to \$2,000 in the form of a grant for professional design services if Staff determines that such services are required to design the Junior Accessory Dwelling Unit/Accessory Dwelling Unit.

3. The City Council hereby authorizes an additional \$250,000 from the General Fund for the Junior Unit Initiative Program which shall be funded from the Fiscal Year 2017-2018 budget.

4. This Resolution shall take effect immediately upon its adoption.

ATTACHMENT 1

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 5th day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
Dorothy Roberts
City Clerk

Approved as to form:

Michael W. Barrett
City Attorney