

RESOLUTION R2019-__

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
NAPA, STATE OF CALIFORNIA, APPROVING
AMENDMENTS TO THE JUNIOR UNIT INITIATIVE
PROGRAM**

WHEREAS, the City operates the Junior Unit Initiative Loan Program (the “Program”) pursuant to Resolution R2017- 086, adopted on June 20, 2017, as amended by Resolution R2018-066, adopted on June 5, 2018, to expand the supply of affordable housing in the City of Napa by encouraging and facilitating the creation of junior accessory dwelling units (JADU), created by carving out separate units from one or more existing bedrooms and the conversion of existing accessory structures into accessory dwelling units (“Converted ADUs”) on properties containing 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 JADU/Converted ADU available for rent to low-income households at an affordable rent; and

WHEREAS, the City desires to increase the maximum loan amount for Converted ADUs from \$50,000 to \$75,000 due to the costs of converting accessory structures into ADUs; and

WHEREAS, the City desires to modify the Program to provide for grants of up to \$3,000 for engineering services as needed to design JADUs or Converted ADUs; and

WHEREAS, the City desires to increase the maximum grant for design services for Converted ADUs from \$2,000 to \$4,000; 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:

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 R2018-066 and R2017- 086:

ATTACHMENT 1

- 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) (“JADUs”) and/or the conversion of existing accessory structures to “Accessory Dwelling Units” as defined under NMC Section 17.06.030 (“Converted ADUs”) 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 JADU/Converted ADU 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) A loan of up to \$50,000 for the creation of a JADU or up to \$75,000 for a Converted ADU. The loan shall be in the form of a 0% interest 20-year loan of which up to \$50,000 shall be forgiven at a rate of 5% per year that the Eligible Household rents either the JADU/Converted ADU or the primary unit to a Low-Income Household at an affordable rent. Any amount over \$50,000 shall be deferred and repaid in full within 20 years.
 - (2) A grant of up to \$5,000 for American with Disability Act (ADA) improvements made to either the JADU/Converted ADU or the primary dwelling unit if it will be rented to the Low Income Household at affordable rent.
 - (3) A grant of up to \$2,000 for professional design services for a JADU or up to \$4,000 for a Converted ADU if staff determines such services are needed.
 - (4) A grant of up to \$3,000 for engineering services for the JADU or Converted ADU if staff determines such services are needed.
3. 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 November, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
Tiffany Carranza
City Clerk

Approved as to form:

Michael W. Barrett
City Attorney