



Staff Reports

File #: 1423-2018, **Version:** 1

To: Honorable Mayor and Members of City Council
From: Lark Ferrell, Housing Manager; Dorothy Roberts, City Clerk
Prepared By: Lark Ferrell, Housing Manager; Dorothy Roberts, City Clerk

TITLE:

Transient Occupancy Special Tax for Affordable and Workforce Housing Ballot Measure; and Calling, Giving Notice, and requesting consolidation of the November 6, 2018 General Municipal Election.

RECOMMENDED ACTION:

- 1) Approve the second reading and final passage, and adopt 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.

- 2) Adopt a resolution ordering the submission of a Ballot Measure to the Qualified Electors of the City of Napa at the November 6, 2018 General Municipal Election regarding the proposed Ballot Measure F, 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; and authorizing related actions including the City Council's authorization of ballot arguments, and directing the City Attorney to prepare the impartial analysis.

- 3) Adopt a resolution Calling and Giving Notice of a General Municipal Election to be held on Tuesday, November 6, 2018, for the purpose of electing two members of City Council; and submitting one ballot measure to the voters to consider an amendment to Napa Municipal Code Title 3 relating to the establishment of a one percent Transient Occupancy Special Tax for the purpose of providing affordable and workforce housing; requesting the Napa County Board of Supervisors to consolidate the General Municipal Election with the Statewide General Election; and requesting the Napa County Registrar of Voters render specified services to the City relating to the conduct of the General Municipal Election.

DISCUSSION:

On May 15, 2018, City Council directed staff to prepare the necessary documents to submit a Ballot Measure to the qualified voters of the City of Napa. This Measure would amend the Napa Municipal Code by enacting a new Chapter 3.22 to establish a one-percent transient occupancy Special Tax for Affordable and Workforce Housing in the City of Napa.

At the June 19, 2018 City Council meeting, City Council unanimously approved the first reading of

the above-mentioned code amendment; the second reading and final adoption of the ordinance amendment is submitted with this staff report. If the Ballot Measure is approved by the qualified electors by a two-thirds vote, the ordinance will go into effect ten days after the results of the election are declared by City Council.

At the June 19, 2018 Council meeting, Council directed staff to move forward with the following question:

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| CITY OF NAPA - MEASURE F 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 visitors of 30 days or less, increasing the maximum hotel tax rate from 12% to 13%, with all revenue from the new tax (estimated: \$2,100,000 annually) to be restricted to providing programs and services for affordable and workforce housing? | YES |
| | NO |

(Note for more information, see the City Council staff reports for May 15, 2018 and June 19, 2018 linked to the electronic version of this report or available on the City’s website under “Agendas and Minutes”.)

The City Clerk has submitted two resolutions for consideration with this report: 1) a resolution declaring the intention to submit a Ballot Measure to the voters, authorizing related actions including the authorization of ballot arguments, and directing the City Attorney to prepare the impartial analysis; and 2) a resolution calling and giving notice of the General Municipal Election to elect two members of City Council and to submit the proposed Ballot Measure to the voters. This resolution also requests that the Napa County Board of Supervisors consolidate the Municipal Election with the statewide General Election and provide the necessary services.

In accordance with the City of Napa Policy Resolution 32 (Attachment 6), and applicable law, ballot arguments must be submitted to the City Clerk no later than 14 days after the date of Calling the Election (July 31st). At the June 19th City Council meeting, Mayor Techel and Councilmember Sedgley were designated the authors of the Argument in favor of the measure. Arguments must not exceed 300 words in length and must be accompanied by the printed name and signature of the author or authors submitting it. No more than five signatures will appear under each argument on the ballot pamphlet.

If a timely argument against the measure is filed (by no later than July 31, 2018, at 5:00 p.m.), Mayor Techel and Councilmember Sedgley are authorized to file a rebuttal to the argument against the measure. Additionally, the authors of the argument against the measure are authorized to file a rebuttal to the argument in favor of the measure, in accordance with the regulations set forth in Policy Resolution 32. Rebuttals may not exceed 250 words in length and must be submitted no later than ten days after the final filing date for submitting the primary arguments. In this case, assuming the timeline above, rebuttal arguments would be submitted by no later than August 10, 2018, at 5:00 p.m.

The City Clerk will provide public review of the arguments and impartial analysis for a period of ten calendar days immediately following the filing deadline for the submission of those materials.

FINANCIAL IMPACTS:

The costs to consolidate the General Municipal Election with the General Election will be reimbursed to Napa County Elections Division after the final election results are confirmed and certified. Costs for the election have been budgeted.

CEQA:

The City Clerk has determined that the Recommended Action described in this Agenda Report is not in-and-of itself a “project” (pursuant to CEQA Guidelines Section 15378) since it does not result in a physical change in the environment. However, future actions may be subject to environmental review in accordance with CEQA at the “earliest feasible time” prior to “approval” consistent with CEQA Guidelines 15004 and 15352. The larger “project” would be future housing developments or programs funded by the TOT tax. Staff would bring back a CEQA analysis of that project prior to Council approving the housing developments or programs.

DOCUMENTS ATTACHED:

- ATCH 1 - Ordinance with EX A
- EX A - Chapter 3.22 Transient Occupancy Special Tax for Affordable and Workforce Housing
- ATCH 2 - Resolution submitting Ballot Measure
- EX A - Full Text of Measure
- ATCH 3 - Resolution Calling Election
- EX A - City of Napa Precinct List
- ATCH 4 - Link to May 15 City Council staff report
- ATCH 5 - Link to June 19 City Council staff report
- ATCH 6 - Policy Resolution 32

NOTIFICATION:

Notice of the Public Hearing to adopt the ordinance and resolutions was advertised in the Napa Valley Register on Saturday, July 7th. Notices informing voters of the upcoming November 6th Election were published on July 6th, 13th and 15th. Notices were published in English and Spanish.