



Agenda Date: 6/21/2017

Agenda Placement: 8A

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Jeff Tucker - Director of Administrative Services/CFO
NS-Administration

REPORT BY: Jeff Tucker, Director of Administrative Services/CFO - 707-258-6000

SUBJECT: Provide Direction to Staff on Accessory Dwelling Units Policy

RECOMMENDATION

Receive presentation and provide direction to staff on policy options for Accessory Dwelling Units.

EXECUTIVE SUMMARY

Recent changes in state law requires cities and counties to make changes to how they assess capacity charges for Accessory Dwelling Units (ADUs), but it is generally understood that the law does not apply to special districts. The State Legislature is currently considering legislation to apply these new rules to special districts. If approved by the State Legislature and signed by the Governor, these new rules would apply to NapaSan.

While the law may change as it goes through the legislative process, the current status of the law says that capacity charges could not be charged for new ADUs that are constructed within the existing footprint of the existing structures on the property. For new construction or construction that expands beyond the existing footprint of buildings, the capacity charge must be proportionate to the burden, based on either its size or fixture units.

At the June 7, 2017 Board meeting, staff provided policy options for setting capacity charges and sewer service charges for Accessory Dwelling Units, in anticipation of changes in state law. These policy options included:

- Not charging capacity charges for ADUs that remain within the footprint of existing buildings
- Charging capacity charges for ADUs that exceed the footprint, based on square footage or fixture units
- Charging capacity charges for ADUs based on a different methodology, such as treating them like apartments
- Setting sewer service charges (SSCs) based on square footage or fixture units
- Setting SSCs based on treating ADUs like apartments, condos or single family residences

The Board indicated its preference for capacity charges for ADUs based on square footage. The Board instructed staff to develop further the "square footage" option and return with a detailed proposal. The proposal presented

here includes the following elements:

- Capacity charges for Junior and Attached ADU would be waived, consistent with the law for cities and counties.
- Capacity charges for detached ADU under 500 SF would be waived.
- Capacity charges for detached ADU 500 SF and larger would be charged between 0.5 EDU and 1.0 EDU, based on their square footage.
- Sewer service charges for Junior ADU and Attached ADU that are under 500 SF and constructed in existing finished living spaces would be waived.
- Sewer service charges for Detached ADUs, and Attached ADU under 500 SF constructed in unfinished spaces, would be charged 50% of the SSC for single family residences.
- Sewer service charges for all ADUs 500 SF and larger would be charged between 50% and 100% of the SSC, based on their square footage.
- Capacity charges for ADUs set by this ordinance would be retroactive to June 1, 2017, with partial or full refunds provided as appropriate.

The Board is under no obligation to take any action at this time. However, staff is seeking direction on how to develop an ordinance regarding capacity charges and sewer service charges for ADUs, to be brought back to the Board in July for introduction and 1st Reading.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Legal Counsel provided a briefing on the new ADU law to the Board on February 15, 2017.

SUPPORTING DOCUMENTS

A . Presentation

Napa Sanitation District: Approve

Reviewed By: Jeff Tucker