



Impact of Accessory Second Units on District Fees

Napa Sanitation District
Board of Directors Meeting
June 1, 2016



City Ordinance

- Accessory Second Unit (ASU) size limitations

Lot Size	Maximum ASU Floor Area
< 7,000 SF	650 SF
7,000 to 10,000 SF	700 SF
10,001 to 20,000 SF	800 SF
> 20,000 SF	900 SF

- Maximum of 2 bedrooms per ASU



NSD Code

- Capacity Charges
 - 1.0 EDU per unit
 - Single Family Dwelling
 - Multiple Family Dwelling
 - 0.6 EDU per unit
 - Senior dwelling / residential care facility / single room occupancy
 - 0.75 EDU per unit
 - Hotel room w/o kitchen



NSD Code

- Sewer Service Charges
 - 1.0 EDU per unit
 - Single Family Dwelling
 - Duplex
 - Condominiums/Townhouses
 - 0.6 EDU per unit
 - Triplex/Fourplex
 - Apartment
 - Single room occupancy
 - Mobile home



Sample Water Use

- 3 examples of recent apartment projects (Montrachet; Hawthorne; Anton)
 - 580 total apartment units
 - Water use is 92 gal/unit/day
 - Size breakdown
 - 5% less than 650 SF
 - 8% less than 700 SF
 - 29% less than 800 SF
 - 40% less than 900 SF



Options

1. Retain current NSD Code
2. Treat ASU like Apartments
(1.0 EDU for CC / 0.6 EDU for SSC)
3. Lower CC fees for all units 700 SF or less
(0.6 EDU for CC / 0.6 EDU for SSC)
4. Lower fees for all ASUs
(0.6 EDU for CC / 0.6 EDU for SSC)



Policy Options

1. Retain current NSD Code

Pros	Cons
<ul style="list-style-type: none">• Consistent with current policy• Low potential for legal challenge	<ul style="list-style-type: none">• Does not promote City's lower cost housing goal



Policy Options

2. Treat ASU like apartment (R03) if 700 SF or lower:

- 1.0 EDU Capacity Charge
- 0.6 Annual Sewer Service Charge

Pros	Cons
<ul style="list-style-type: none">• Lowers annual sewer fee• Only minor Code change• Low potential for legal challenge	<ul style="list-style-type: none">• Does not lower City's cost for construction permit



Policy Options

3. Change code for all units 700 SF or less, regardless of type:

- 0.6 EDU Capacity Charge
- 0.6 Annual Sewer Service Charge
- Units over 700 SF would pay 1.0/1.0

Pros	Cons
<ul style="list-style-type: none">• Lowers annual sewer fee and capacity charge• Aligns Capacity Charge and SSC to same assumption	<ul style="list-style-type: none">• Decreased capacity charge revenue from apartments• May underestimate the capacity potential• Possible 218 impacts



Policy Options

4. For all ASUs that meet City Code:
- 0.6 Capacity Charge
 - 0.6 Annual Sewer Service Charge

Pros	Cons
<ul style="list-style-type: none">• Promotes lower cost of construction / recognizes lower impact to system• Lower annual sewer fee	<ul style="list-style-type: none">• Increased potential for legal challenge for treating similarly situated ASU and apartment differently• Decreased capacity charge and annual sewer fees



Sources of Potential Conflict

Current Code Conflicts

- Apartments at 1.0 EDU for Capacity Charges
- Hotel rooms at 0.75 EDU for Capacity Charges
- Senior Dwellings-Single Occupancy at 0.6 EDU / Double Occupancy at 1.0 EDU

Revenue

- Loss of Capacity Charge Revenue:
FY 16/17 estimated C.C. deficit (\$23.8 million)



Options

1. Retain current NSD Code
2. Treat ASU like Apartments
(1.0 EDU for CC / 0.6 EDU for SSC)
3. Lower CC fees for all units 700 SF or less
(0.6 EDU for CC / 0.6 EDU for SSC)
4. Lower fees for all ASUs
(0.6 EDU for CC / 0.6 EDU for SSC)