

**COUNTY OF NAPA
FARMWORKER HOUSING
CSA No. 4 ASSESSMENT DISTRICT**

**ENGINEER'S REPORT
Fiscal Year 2019-2020**



May 8, 2019

**Prepared for:
Board of Supervisors
County of Napa,
California**

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CERTIFICATES

The undersigned respectfully submits the enclosed report as directed by the Board of Supervisors.

Dated: May 8, 2019

TERRANCE E. LOWELL,
for Kristin Lowell Inc.,
Engineer of Work

By  _____

I HEREBY CERTIFY that the enclosed Engineer's Report was filed with me on the _____ day
of _____, 2019.

Jose Valdez, Clerk of the Board, Napa County, California

By _____

I HEREBY CERTIFY that the enclosed Engineer's Report was approved and confirmed by the
Board of Supervisors, County of Napa, California, on the _____ day of _____,
2019.

Jose Valdez, Clerk of the Board, Napa County, California

By _____

ENGINEER'S STATEMENT

This Report is prepared, as directed by the Board of Supervisors, pursuant to Article XIID of the State Constitution (Proposition 218).

The proposed public improvements will provide funding for migrant farmworker housing in the County of Napa CSA No. 4 area. Housing accommodations are provided at the Calistoga Center, Mondavi Center, and the River Ranch Center.

The estimated budget for the proposed improvements for this year is set forth in Exhibit B. The annual assessment amount is set each year by the Napa County Board of Supervisors. As discussed below, in 2017, the State Legislature approved an amendment to Government Code Section 25210.4h to increase the maximum assessment to \$15.00 per planted vineyard acre, if needed. Funding for the proposed improvements is derived from a property-based assessment of each eligible parcel in the CSA No. 4 area, in conjunction with rents collected at the centers. A detailed description of the methodology for determining the special benefit assessment for each parcel is set forth in Exhibit C.

This report includes the following attached exhibits:

EXHIBIT A: A description of the proposed project.

EXHIBIT B: The estimate of the cost of the improvements.

EXHIBIT C: A statement of the method by which the undersigned determined the amount proposed to be assessed against each parcel, based on benefits to be derived by each parcel, respectively, from the improvements.

EXHIBIT D: A map showing all the parcels of real property within CSA No. 4.

EXHIBIT E: An assessment roll, showing the amount proposed to be specially assessed against each parcel of real property within this assessment district.



Respectfully submitted,

TERRANCE E. LOWELL, P.E.
Engineer of Work

EXHIBIT A: PROJECT DESCRIPTION

Within Napa County, there are three publicly owned or operated farmworker housing centers; the Calistoga Center, the Mondavi Center, and the River Ranch Center ("Centers"). In 2007, the Napa County Housing Authority ("NCHA") took over the responsibility for the overall management and operation of these housing Centers, and in April 2008, the NCHA acquired ownership of the Centers. For fiscal year 2019/2020, the NCHA will subcontract the day-to-day administration of the centers to the California Human Development Corporation, which has extensive experience providing services to migrant farmworkers throughout California.

The Centers each have 60 beds, for a total of 180 beds. The Centers serve the important functions of providing safe, clean and affordable housing and meals for persons employed in agriculture in Napa County. Under state law, County Service Area No. 4 assessment funds may only be used for the following activities:

1. Providing maintenance and operations for farmworker housing owned or leased by a local governmental agency.
2. Acquiring farmworker housing.
3. Building farmworker housing.
4. Leasing farmworker housing.

HISTORY

County Service Area No. 4 was formed in 2002 under the provisions of Government Code section 25210.4h. It provided a mechanism for owners of land containing at least one acre of planted vineyards to be assessed at \$10.00 per planted vineyard acre per year to provide housing accommodations for farmworkers in Napa County. In 2017, the State Legislature approved an amendment to Government Code Section 25210.4h to increase the maximum assessment to \$15.00 per planted vineyard acre, if needed. The annual assessment rate per planted vineyard acre may increase by \$1.00 each fiscal year until the \$15.00 maximum assessment allowed. In addition, as the assessment rate per planted vineyard acre increases \$1.00 per year so will the tenant rental rate increase by \$1.00 per day until the maximum assessment equals \$15.00. The table below summarizes the assessment rates and tenant rental rates, only if the assessment rate increases annually.

Fiscal Year	Planted Vineyard Acre Assmt	Tenant Rental Rate
2019/20	\$11.00	\$14.00
2020/21	\$12.00	\$15.00
2021/22	\$13.00	\$16.00
2022/23	\$14.00	\$17.00
2023/24	\$15.00	\$18.00

Rental income projections for the Centers for Fiscal Year 2019/20 are based upon a rate of \$14.00 per night. This rental income is utilized to help cover the increased costs of operating the facilities and to maintain the service level currently provided to the agricultural workers who utilize the Centers. The budget also provides for reserves for each Center as required by the State.

EXHIBIT B: ESTIMATE OF COST

The following table shows the budget for Fiscal Year 2019/20.

ESTIMATED REVENUE	TOTAL CENTER OPERATIONS
Rent - Tenants	\$700,000
Rent - Staff	\$35,770
State Revenue	\$250,000
Laundry Revenues	\$6,500
Interest	\$10,000
Total Estimated Revenues	\$1,002,270
APPROPRIATIONS	
Professional Services	\$830,000
<u>Services & Supplies</u>	
Client Meals	\$225,000
Freight/Postage	\$300
Interpreting Services	\$1,100
Janitorial Supplies	\$21,500
Landscaping Services	\$1,600
Maintenance - Buildings and Improvements	\$46,500
Household Expense	\$3,000
Utilities - Electric	\$42,000
Utilities - Fire Supression Systems	\$13,500
Utilities - Propane	\$28,000
Utilities - Sewer	\$9,000
Utilities - Telephone	\$4,800
Utilities - Waste Disposal	\$33,000
Utilities - Water Treatment	\$86,000
Subtotal Service & Supplies	\$515,300
Total Services & Supplies	\$1,345,300
Depreciation Expense	\$45,000
Operating Transfer Out, General Admin	\$21,000
Reserve Fund	\$65,394
CSA #4 Administration Costs	\$20,400
Total Appropriations	\$1,497,094
CSA 4 Amount to Assessment	\$494,824

EXHIBIT C: METHOD OF APPORTIONMENT

GENERAL

Proposition 218 requires that the County levy assessments according to the special benefit each parcel receives from the improvements. Proposition 218 added to the state constitution Article XIII D Section 4(a) which states in part:

"The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement...No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel... Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit."

Determining the proportionate share of special benefit among the parcels of real property within the proposed assessment district which benefit from the proposed Improvements is the result of a four step process: 1) defining the proposed Improvements; 2) identifying how each parcel specially benefits from the proposed Improvements; 3) determining the amount of the special benefit each parcel receives from the proposed Improvements; and 4) apportioning the cost of the proposed Improvements to each parcel based on the special benefit that each parcel receives from the proposed Improvements.

SPECIAL BENEFIT

Special legislation, Government Code §25210.4h (now §25213.2), was enacted in 2002 (and is now the subject of a pending legislative amendment) to provide assessment financing for the provision of farmworker housing. The farmworker housing provides the necessary housing for the migrant farmworkers that work the vineyards seasonally and keeps the workers close to the vineyard operations. Without this housing, the farmworkers would have little options for housing. Each vineyard parcel receives special benefit from the housing in that it allows the vineyards to efficiently and cost effectively hire the seasonal workers that are necessary to work the vineyards. Since all planted vineyard acres will benefit equally from the farmworker housing each vineyard acre is assessed in like manner. That is to say, every planted vineyard acre receives the same benefit and thus, the same assessment amount.

ASSESSMENT CALCULATION

As previously discussed, each planted vineyard acre receives the same special benefit from the improvements. For fiscal year 2019/20 there is 44,984 assessable planted vineyard acres. Assessing the 44,984 acres at the assessment rate of \$11.00 per acre equals \$494,824, which is approximately 33% of the full cost to operate the 3 housing centers, \$1,497,094. The difference of which is covered through farmworker rents and other contributions. Therefore, the assessment amount per planted vineyard acre for FY 2019/20 is \$11.00 (\$494,824 divided by 44,984).

Each subsequent year, the assessment amounts will be recalculated based on the number of assessable planted vineyard acres and the special benefit each parcel receives from the provision of farmworker housing. In any case, the assessment levels shall not exceed \$15.00 per planted vineyard acre per year.

EXHIBIT D: MAP OF DISTRICT

A map of the District is on file in the office of the Clerk of the Board of the County of Napa. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of Napa, for the year when this Report was prepared, and are incorporated by reference herein and made part of this Report. The Assessor's maps shall govern for all details concerning the lines and dimensions of such lots or parcels.

EXHIBIT E: ASSESSMENT ROLL

The attached table lists every parcel in the District by their respective assessor's parcel number, owner name, and assessment amount.