



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 7/31/2018

Agenda Placement: 6M

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Mary Booher for Minh Tran - County Executive Officer  
County Executive Office  
**REPORT BY:** Molly Rattigan, Deputy County Executive Officer - 253-4112  
**SUBJECT:** Junior Accessory Dwelling Unit Program

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### **RECOMMENDATION**

County Executive Officer requests approval of and authorization for the Chair to sign an agreement with City of Napa for a maximum of \$20,000 for the term July 31, 2018 through June 30, 2019 for the provision of project and construction management services for participants of the Junior Accessory Dwelling Unit Loan Program.

### **EXECUTIVE SUMMARY**

Today's requested action approves an agreement with the City of Napa to provide construction management services to County residents participating in the Junior Accessory Dwelling Unit Loan Pilot Program. A Housing Rehabilitation Specialist will assist property owners with the creation of their Junior Accessory Dwelling Unit including developing a scope of work, developing construction contracts and monitoring the construction process.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Affordable Housing Fund
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This item is discretionary in that there is no mandate to implement a Junior Accessory Dwelling Unit Loan Program. The County collects mitigation fees for affordable housing and the proposed program is one way in which the

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	County could allocate funds to create affordable housing units for low-income families.
Is the general fund affected?	No
Future fiscal impact:	The proposed agreement is limited to Fiscal Year 2018-2019.
Consequences if not approved:	If this item is not approved, the County will have to identify an alternative contractor to provide these services.
Additional Information:	

### **ENVIRONMENTAL IMPACT**

There is no Environmental Impact for this item.

### **BACKGROUND AND DISCUSSION**

On May 3, 2017, the Board of Supervisors adopted Ordinance No. 2017-007 to comply with State law and authorize the creation of Junior Accessory Dwelling Units (JADU). A JADU is defined as a type of second dwelling unit that includes the conversion of an existing bedroom to a second unit in an existing single family residence. A JADU features a door leading to the interior of the primary dwelling unit as well as a door to the exterior. A JADU must not have a full kitchen and may share bathroom facilities with the principal dwelling unit. A JADU is a more economical alternative to a traditional attached second dwelling unit in that JADU's benefit from cost saving measures including: exemption from utility connections, exemption from parking requirements, the required utility kitchen is least costly and because it is not a new unit, fire and like safety requirements are the same as those in the main dwelling unit. A JADU may not exceed 500 square feet.

On June 19, 2018, the Board of Supervisors approved a Junior Accessory Dwelling Loan Pilot Program. Under the proposed pilot program, staff is seeking interest in the creation of a JADU from homeowners in the unincorporated area. A homeowner that applies to the program and agrees to rent either the JADU or the primary home to a low-income tenant will be eligible for a no-interest, forgivable loan of up to \$40,000 plus the cost of permit fees to create the unit. Under the proposed program, the unit would be deed restricted as affordable for a 10 year period. By restricting the unit, the County will be able to report the issued permit as low-income for Regional Housing Needs Assessment reporting. For every year the unit is rented to a low-income tenant, 10% of the loan will be forgiven. If a homeowner opts to end their participation in the program before the 10 year period expires, the forgiveness would stop and the remaining loan and permit fees would be due to the County.

The City of Napa is currently piloting a similar program and has a Housing Rehabilitation Specialist on staff to oversee schematic design and construction management. Today's action approves an agreement with the City of Napa to manage design and construction management and use the pilot program to train County staff to provide such services in the future. The proposed agreement will provide construction management services and assistance in creating construction contracts from the beginning of the JADU creation process through the completion of the project. The rate to contract with the City of Napa is \$80 per hour.

### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Ben Guerrieri