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AUG - 8 2020

Clerk of the Napa Superior Court

By: C. Brennan
Deputy

July 22, 2020

The Honorable Mark Boessenecker
Presiding Judge
Superior Court of the State of California
County of Napa
1111 Third Street
Napa, CA 94559

Subject: City of Napa Response to the 2019-2020 Napa County Grand Jury Final Report entitled "In Search of More Housing in Napa County"

Dear Judge Boessenecker:

The City of Napa has received and carefully reviewed the 2019-2020 Napa County Grand Jury Report entitled "In Search of More Housing in Napa County," dated May 22, 2020 (hereinafter "Grand Jury Report"). Pursuant to California Penal Code Sections 933 and 933.05, this letter documents the City's responses to each finding and recommendation in the Grand Jury Report (hereinafter "City Response"). The City Response was prepared by City staff, including the Community Development Director, and presented to the City Council for their consideration. At the public meeting on July 21, 2020, the City Council approved this City Response and directed the City Manager to submit this City Response on behalf of the City Council.

Therefore, this City Response represents the required response to the Grand Jury Report from the City Council of the City of Napa as well as the invited response from the Community Development Director.

General Responses

For clarity, the City Response only provides comments on matters under the control of the City of Napa. Thus, the City of Napa does not intend to make any representation regarding the operations of any of the other separate municipal agencies identified in the Grand Jury Report.

With regard to the 14-page report preceding the Findings and Recommendations, the City of Napa recognizes the efforts put forth by the Grand Jury and their passion for supporting the creation of Accessory Dwelling Units within the City of Napa. Our responses below generally agree with your Findings and Recommendations with a few exceptions.

Grand Jury Report Finding 1 – *The Grand Jury, with guidance from a housing consultancy, projects that 750-1,000 ADU units could possibly be built across Napa County including the cities of Napa and American Canyon in the next five years.*

City Response – The City of Napa agrees with the finding.

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Grand Jury Report Finding 2(a) – *The City of Napa's website has acceptable ADUs educational information on planning requirements and fees.*

City Response – The City of Napa agrees with the finding.

Grand Jury Report Finding 3 – *Neither the County of Napa or the cities of Napa and American Canyon have ADU planning and approval steps "sequenced" in written material or on their website.*

City Response – The City of Napa disagrees with this finding.

The City of Napa has utilized "Accessory Dwelling Unit How-to Permit Guide for Homeowners" for several years. This document is available at the Building Division and Planning Division public service counters and can be found in both Division Webpages on the City of Napa website. Pages 8-9 of this guide describe the ADU and Junior ADU approval process required by both the Planning and Building Divisions in addition to the outside plan review and fee requirements of the Napa Sanitation District.

Grand Jury Report Finding 4 – *The County of Napa and the cities of Napa and American Canyon are largely relying on the NVCF education program to improve homeowners' knowledge on how to build and finance an ADU or Junior ADU.*

City Response – The City of Napa agrees with this finding.

The City of Napa has secured State SB2 planning grant funds that will be contributed, along SB2 planning grant funds from the City of Calistoga and funding from the NVCF, to utilize a contract planning firm to: produce an on-line Users' Guide and fund a new Napa-Sonoma ADU Center, which will be staffed by an ADU Coordinator position with the NVCF. The City of Napa believes that a coordinated effort to produce a comprehensive Users' Guide covering the County and the cities that can produce the bulk of new ADU/JADU's would lead to a better understanding of the ADU process. This pooling of resources has done just that, produced an on-line Users' Guide, including a fee/cost estimator, for properties in the County and each City in the County.

Grand Jury Report Finding 5 – *Neither the County of Napa nor the cities of Napa and American Canyon have listed an ADU Housing Development single-point-of-contact person or position that could expedite the planning and building approval process for a homeowner.*

City Response – The City of Napa agrees with this finding.

The City of Napa agrees with Finding 5 primarily because there is not a specific staffing need that warrants such an assignment. The ADU and JADU approval permitting process is not cumbersome, difficult or overly complicated; thus, a specific individual dedicated to the ADU process is unnecessary.

Grand Jury Report Finding 6 – *The County of Napa and the cities of Napa and American Canyon have implemented simpler (than prior years) planning and building approval procedures for ADUs and Junior Units, but the process could be further streamlined.*

City Response – The City of Napa agrees with this finding.

Grand Jury Report Finding 7 – *Neither the County of Napa nor the cities of Napa and American Canyon provide pre-approved ADU building designs which could reduce approval costs.*

City Response – The City of Napa agrees with this finding.

The City of Napa, the City of Calistoga, the County of Napa, have all allocated funds along with our partner the NVCF to explore opportunities to establish pre-approved building plans for ADU's. Because each site has unique circumstances, there remains the need for foundation plans suitable for specific soil types and possible modifications if the proposed ADU requires an exterior wall/walls to have a higher fire safety rating due to proximity to other buildings and/or property lines.

Grand Jury Report Finding 8 – *Napa County and the City of Napa continue to charge significant planning and building approval fees on all sizes of ADU's that discourage ADU builds.*

City Response – The City of Napa disagrees with this finding.

The fees charged for garage conversions, JADU's and ADU's under 500 square feet total \$2,000-\$3,000. Using a construction cost estimate of \$350 per-square-foot as provided by the NVCF Cost Estimator on the Napa Sonoma ADU website, the total City fee burden on an ADU under 500 square feet, a Junior ADU and a garage conversion, the City of Napa fees amount to between 2% and 2.5% of the total cost of creating the unit. By comparison, the larger ADU's above 500 square feet range from 5%-6% of the total cost of creating the unit. In addition, units up to 749sf in the City of Napa do not pay for impact fees; however, if over 500sf and under 749sf still pay the full Napa Sanitation Fee.

Grand Jury Report Finding 9 – *Detached ADUs do not realistically represent an affordable housing resource for Napa County and the Cities of Napa and American Canyon.*

City Response – The City of Napa disagrees with this finding.

As shown in the City of Napa 2019 Housing Element Annual Progress Report, received by the Napa City Council on April, 21, 2020, 34 ADU's and Junior ADU's were created in the City of Napa and based on per-square-foot rental rates within the City, 21 units were classified as Moderate Income Housing. Eleven units were classified as Low Income housing. In addition, smaller housing units, by the nature of being smaller, command lower per-month rental costs; thereby creating additional opportunities for more attainable housing in the City of Napa.

Grand Jury Report Finding 10 – *Junior Units and Garage Conversions may fall into the affordable housing range, particularly if subsidized by the cities or County.*

City Response – The City of Napa agrees with this finding.

Grand Jury Report Recommendation 1 – *upgrade their websites with detailed ADU planning steps, approval fees and impact fees (units over 750 square feet) and/or provide a Flow Chart of the step-by-step process and implement these actions no later than December 31, 2020.*

City Response – The recommendation has not yet been fully implemented but will be implemented by December 31, 2020.

The "Accessory Dwelling Unit How-to Permit Guide for Homeowners" is up-to-date and is reviewed periodically to ensure accuracy. Community Development Department Staff has begun evaluating this document with the intent of simplifying the information, including the information for the approval process included in this recommendation, and the City will certainly consider the "Flow Chart" idea as a way of explaining the information.

Grand Jury Report Recommendation 2 – *promote the NVCF ADU education initiative on their websites, in print and online media, and implement these actions no later than December 31, 2020.*

City Response – This recommendation has not yet been implemented, but will be implemented by December 31, 2020.

The City of Napa continues to partner with NVCF and will be sending out new marketing and educational information before the end of this year.

Grand Jury Report Recommendation 3 – *name a dedicated ADU Point Person who will expedite the planning and building approval process for individual ADU households and implement this action not later than December 31, 2020.*

City Response – This recommendation has been implemented.

Michael Walker, Senior Planner with the Planning Division and Jason Williams, Chief Building Official with the Building Division are both lead contacts for each Division with the City of Napa.

Grand Jury Report Recommendation 4 – *develop pre-approved ADU building plans, promote these plans on their upgraded websites and implement this no later than December 31, 2020.*

City Response – This recommendation has been not yet been implemented, but will be implemented by the first quarter of 2021.

The City of Napa, City of Calistoga and County of Napa continue to work with the NVCF on creating at minimum one pre-approved ADU Building plan set. This is a component of the workplan created by these three jurisdictions and NVCF and is intended to be completed by the first quarter of 2021.

Grand Jury Report Recommendation 5 – *reduce and/or eliminate discretionary ADU fees (such as Park fee or Affordable Housing fee) and implement these actions no later than December 31, 2020.*

City Response – This recommendation has been implemented.

The City of Napa has reduced and/or eliminated the referenced fees for all Accessory Dwelling Units under 750sf.

The City of Napa thanks the Grand Jury for its service during the 2019-2020 term. If you or the Grand Jury Foreperson have any questions regarding the City's response, please let me know.

Respectfully Submitted,



Steve Potter, City Manager

cc: John K. Morris, Foreperson, 2019-2020 Napa County Grand Jury
Michael Barrett, City Attorney
Vin Smith, Community Development Director
Erin Morris, Planning & Code Enforcement Manager