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Clerk of the Napa Superior Court
By: C. De
Deputy

November 18, 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 American Canyon 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 American Canyon 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 a public meeting on November 17, 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 American Canyon 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 American Canyon. Thus, the City of American Canyon does not intend to make any representation regarding the operations of any of the other separate municipal agencies identified in the Grand Jury Report.

Table 3 on Page 11 of the Grand Jury Report identifies residential fee estimates for a City of American Canyon ADU for 2020. The source of the information is cited as the American Canyon Community Development office email. The table includes a line item for costs associated with Napa Sanitation District (Napa San) impact fee and Napa Valley Unified School District (NVUSD) impact fee. The Napa Sanitation District and NVUSD fees were not provided in the American Canyon Community Development office email. The Napa Sanitation District does not serve the City of American Canyon. Sewer and water services are provided by the City of American Canyon and the City has waived sewer and water

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fees. Elimination of the sewer and water impact fees is a significant cost savings that is not correctly reflected in Table 3.

With regard to the remaining report preceding the Findings and Recommendations, the City of American Canyon recognizes the efforts put forth by the Grand Jury and their passion for supporting the creation of Accessory Dwelling Units within the City of American Canyon. Responses to the Findings and Recommendations are listed below.

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 American Canyon would suggest that constructing 750-1,000 ADU units in the next five years is possible highly ambitious given that only a handful of ADUs have been constructed in the City of American Canyon over the past five years.

Grand Jury Report Finding 2(c) – The City of American Canyon’s website has no significant educational information or planning steps and fees for ADUs.

City Response – The City of American Canyon has an “ADU Resource”¹ section that includes a link to the Napa Sonoma ADU organization. This website provides a wealth of information for homeowners and professionals. ADU impact fees are available online, but the location of this information in the Finance Department may not be easily found by the occasional website user. A link to ADU fees would be a useful enhancement to the City’s “ADU Resource” webpage.

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 process to review, inspect, and final an ADU permit is the same as other room addition or home improvement project. In the beginning of March, in response to the COVID-19 Pandemic, the City of American Canyon instituted the “Virtual City Hall.”² Today, the Building Division has an entirely electronic submittal step-by-step guide³ for any building permit application, including ADUs.

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 American Canyon has limited financial resources – especially the COVID-19 Pandemic has caused significant financial impact to the City’s budget. To obtain the best professional advice at the lowest taxpayer cost, the City relies on partnerships with specialized organizations and

¹ <https://www.cityofamericancanyon.org/government/virtual-city-hall/building-construction-virtual-services>

² <https://www.cityofamericancanyon.org/home>

³ <https://www.cityofamericancanyon.org/government/virtual-city-hall/building-construction-virtual-services>

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consultants. In the case of ADU professional advice, the Napa-Sonoma ADU Center⁴ extends our reach by providing valuable information to assist homeowners and professionals with ADU questions.

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 process to review, inspect, and final an ADU permit is fundamentally the same as other room addition or home improvement projects. The City's Building Official⁵ is available to answer building questions, including ADUs. Our Associate Planner⁶ answers questions related to the zoning code and site development standards. For homeowners and professionals with specific ADU questions related to building and non-building questions (i.e.: financing, becoming a new landlord, or other detailed issues), the City has partnered with the Napa-Sonoma ADU Center.

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 process to review, inspect, and final an ADU permit is the same as other room addition or home improvement projects. Beginning March 2020, the permit application process is entirely electronic which saves application submittal time with no need to transport bulky hard copy plans.

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 American Canyon lacks staff and financial resources to develop pre-approved ADU building designs. Fortunately, the Napa-Sonoma ADU Center is preparing pre-approved ADU building designs. These designs will be available to American Canyon residents through our partnership with this organization.

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 American Canyon fees are significantly lower than a single or multi-family dwelling units; and the ADU fees are lower than our peers at Napa County and the City of Napa. Unfortunately, Table 3 on Page 11 of the Grand Jury Report incorrectly attributes \$9,725.50 of Napa Sanitation District and Napa Valley Unified School District fees to the City of American Canyon. Napa Sanitation District does not serve the City of American Canyon. Sewer and water services are provided by the City of American Canyon and the City has waived sewer and water impact fees. The City of American Canyon has no authority over fees charged by the Napa Valley Unified School District.

⁴ <https://napasonomaadu.org/>

⁵ ttrimberger@interwestgrp.com

⁶ whe@cityofamericancanyon.org

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 Grand Jury Report states that a detached 500 square foot one-bedroom “home-improvement-store quality” ADU would cost \$400 per square foot plus fees. A fifteen-year \$200,000 home equity loan amortized at 7% will result in monthly payments of \$1,797. Calculations of likely homeowner mortgage, taxes insurance and maintenance costs necessitates a rent of \$2,100 a month or more is required to break even.

City Response – While the City has no control to reduce private construction costs, we regularly apply for State and Federal funds to assist low income homeowners with down payment assistance and owner-occupied rehabilitation loans. We also would apply for grants that provide ADU construction funds for low income renters when such grants become available.

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 American Canyon 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 – Beginning March 2020, as an important component to the “Virtual City Hall”, the City of American Canyon Building Division initiated an entirely electronic submittal step-by-step guide for any building permit application, including ADUs. We will update the website to provide specific ADU approval fees and impact fees no later than December 31, 2020.

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 – The City of American Canyon provides a link under “ADU Resources” to the Napa-Sonoma ADU Center.

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 – The Building Official and Associate Planner are available to answer questions about ADUs in American Canyon. We will update the Community Development Department webpage⁷ with these two contacts.

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.

⁷ <https://www.cityofamericancanyon.org/government/community-development>

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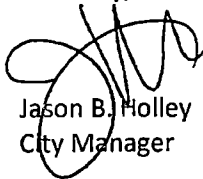
City Response – The Napa-Sonoma ADU Center is preparing pre-approved ADU building designs. These designs will be available to American Canyon residents through our partnership with this valuable organization as soon as they are completed by the Napa-Sonoma ADU Center.

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 – In accordance with State Law, the City charges no impact fees for ADU's measuring 400 square feet or less. The City has eliminated most impact fees and significantly reduced traffic and park impact fees for ADUs measuring more than 400 square feet. The Inclusionary Housing Ordinance⁸ provides the City with authority to eliminate all impact fees for an affordable housing project. Applicants may apply for an impact fee reduction or elimination when the ADU is deed restricted to be rented at affordable rents to a lower income households.

The City of American Canyon 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 contact Brent Cooper, Community Development Director at (707) 647-4335 or by e-mail at bcooper@cityofamericancanyon.org.

Sincerely,



Jason B. Holley
City Manager

Copies to:
City Council
John K. Morris, Foreperson, 2019-2020 Napa County Grand Jury
City Attorney
Community Development Director

⁸ https://qcode.us/codes/americancaanyon/view.php?version=beta&view=mobile&topic=19-2-19_28