

**NAPA COUNTY CIVIL GRAND JURY
2021-2022**

**FINAL INVESTIGATIVE REPORT
June 13, 2022**

**CITY OF NAPA
COMMUNITY DEVELOPMENT DEPARTMENT**



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SUMMARY

Within the city limits of Napa, some residents wish to build new homes, add a separate dwelling or, in some cases, alter an existing dwelling. These efforts can range from simple improvements to major tear-downs and remodels as well as new construction of condominiums, apartments, new single-family homes and estate-like properties with multiple structures.

All of these actions are regulated by the Napa City Community Development Department (CDD). The 2021-2022 Napa County Civil Grand Jury became aware of complaints about the CDD's review process and opened an investigation to assess the Department's responsiveness to the needs of residents, architects, and developers.

The five divisions within the CDD review building plans and construction for both residential and commercial purposes. The City's Department of Public Works must also review the plans for larger projects and for City entities outside of the CDD, such as the City of Napa Fire Department.

The process of reviewing blueprints and inspecting the subsequent construction falls within the purview of the CDD. This is relatively straightforward for home improvements as well as the addition of accessory dwelling units. For other new construction projects, however, the approval process is more involved. The Grand Jury examined the workings of this approval process and found that, for new construction, as many as seven different departments are required to approve the blueprints and plans.

The Grand Jury found that problems created by the COVID pandemic shutdown highlighted the need for improvements in the permitting process. First, digital tools should be improved so that blueprints can be reviewed on-line. Second, an expeditor should be assigned to monitor each project and make sure that the work of reviewing and sign-off by each department is completed in a timely fashion.

The Grand Jury also found that there is no systematic review of applications for permits on structures with potential historic importance.

BACKGROUND

The City of Napa Community Development Department (CDD) with the following five divisions is one of the largest and most diversified departments in Napa City Government:

1. Planning
2. Building
3. Economic Development and Housing
4. Code Enforcement
5. Parking

The Community Development Department’s mission statement is to “deliver professional and responsive services to enhance the quality of life in the community.” (See website at cityofnapa.org).

The CDD provides community planning, development review and inspection services for the City of Napa. The CDD facilitates the permitting process in a manner that is consistent with city, state, and federal standards. The Department is also responsible for regulating Historic Building Preservation. The CDD charges planning and building fees and also collects money generated from parking violations. This income adds to the General Fund of the City of Napa.

The COVID pandemic lockdown presented significant challenges to the functioning of the CDD. All of its offices were closed to the public and all documents had to be submitted online. The current CDD information technology system is outdated. Use of this outdated system has caused delays and complaints from the public, creating the impression that the Department was not being responsive.

The 2021-2022 Napa County Civil Grand Jury became aware of public concern expressed about the functioning of the CDD and opened this investigation to assess its responsiveness to the public.

METHODOLOGY

During its investigation, the Grand Jury reviewed the following documents:

- *City of Napa Community Development Department, Responsibilities, Policies and Procedures.*
- *City of Napa Planning Department, Responsibilities, Policies and Procedures.*
- *City of Napa Buildings Department, Responsibilities, Policies and Procedures.*
- *City of Napa Code Enforcement Division, Responsibilities, Policies and Procedures.*
- *City of Napa Cultural Heritage Commission, Responsibilities, Policies and Procedures*
- *City of Napa General Plan, Historic Resources.*
- *Napa County Landmarks, Mission Statement.*
- *Napa Register, Articles*

The Grand Jury also conducted a total of eight interviews, including architects, a non-profit agency that interacts with the Community Development Department, current and former City of Napa employees, and Commissioners from the Planning Commission who advise the Community Development Department.

DISCUSSION

The CDD, because of its broad responsibilities, deals with Napa residents and businesses in many areas. Its effectiveness was impacted by the COVID19 pandemic in various ways.

First, City offices were closed during much of 2020; thus, residents and businesses which sought approval for projects and permits could not have face-to-face access with department staff. Access to staff was strictly online, either through websites, email, or phone calls and texting.

Face-to-face interaction has been the traditional way for the CDD staff to work with the public. Moreover, a careful review of a common sets of plans is essential to any project approval. This might, however, have been accomplished just as efficiently using on-line meetings. Nonetheless, when COVID19 arrived, the Department did not have adequate technological capabilities to substitute face-to-face access to department staff, something key to enable residents to obtain necessary reviews. Because their review process was only possible with face-to-face interaction, CDD's goal of providing timely reviews and approvals was severely compromised during the pandemic shutdown.

Second, during this period delays in plan approvals were also exacerbated by other problems. Antiquated manual systems prevented digital submission of plans to CDD divisions. As a result, seven separate hard copies of plans were required to be submitted for each project because each division (and several outside of CDD) needed its own copy. This added extra time and expense for architects, developers, and residents as they sought approval for building permits. It also slowed response times for collaboration.

Moreover, often new information from citizen groups is presented at the public meetings; this can be a reason that a Planning Commission decision is delayed.

Further, during the pandemic, the department's budget was cut by 10% to address the City's unforeseen revenue shortfalls. This action affected staffing levels, which declined still further during 2020-2021 due to voluntary staff attrition. As a result, department staff was required to work remotely with insufficient digital capability for plan reviews. Subsequent attrition resulted in still more additional work for the remaining staff.

Third, the Project Approval and Permit process slowed even more because of the pandemic. The City required that CDD give existing businesses (e.g., restaurants) priority review of projects to help them remain in business by fast-tracking permit reviews for parklets and various outdoor dining areas. The Grand Jury commends the City for its support in keeping existing businesses open in the face of a public health crisis, but this resulted in delays of new project reviews.

Due to the frequency of complaints expressed by Napa residents regarding untimely project and permit approvals, the Grand Jury sought to understand why there is a

perceived lack of responsiveness by the CDD's Building and Planning Divisions¹ and opened this investigation.²

Efficient reviews by the CDD are important because of the continuing need to support new housing and businesses as well as existing project improvements in the City of Napa. All new building projects require approvals. The Grand Jury also tried to better understand how CDD processes and approval cycles vary when the owners of historical buildings seek to improve their properties.

During the course of the investigation the Grand Jury also learned about the development of the Napa 2040 General Plan. The General Plan touches all aspects of Community Development (e.g., neighborhood development, possible areas for constructing new housing, climate change, and transportation). The last General Plan was completed in 1998; the new one will set the stage for Napa's future.

At the beginning of the investigation, it was clear that two primary factors contributed to the long CDD response times on reviews and approvals of projects and permits. First, for many years the City deferred investment in new technologies that would allow digital submission of architectural and construction drawings for the CDD review process. Currently, hard copies of drawings are required for every project and permit application, including changes deemed necessary by the officials or modifications by the applicants. In most cases, seven separate hard copies are required because digital sharing and collaboration are not possible between the CDD divisions, and the Departments of Public Works, Fire, Utilities, Parks and Recreation, and sometimes the Cultural Heritage Commission, an advisory board to the City Council, if they are part of the review.

The Grand Jury also found that there is no single person who coordinates or expedites the entire plan submittal and approval process to ensure that all CDD divisions and all other Departments of Public Works, Fire, Utilities, Parks and Recreation that are involved work in a timely manner. A case manager for each project would be valuable for keeping the process on track.

The Grand Jury also learned that sophisticated civic software is commercially available and is used by other California cities of similar size to Napa to manage approval processes digitally. This software could speed up approval cycles, reduce errors, access necessary data bases, interface with other essential systems, and keep a digital record of all reviews and approvals.

The Grand Jury inquired into the status of the City's information technology (IT) capabilities. The City does not possess software like that described in the previous paragraph. Past City Managers apparently did not prioritize investment in newer technologies which would digitize certain manual activities associated with CDD project

¹ The Grand Jury did not investigate three other CDD divisions - Parking, Code Enforcement, and Economic Development.

² This investigation appears to be the first ever review of Divisions of the CDD by a Napa County Civil Grand Jury.

review. The current City Manager, however, has emphasized updating IT systems and last year the City Council approved a new investment in an IT management system called Tyler Intergov. This new system will automate much of the CDD's manual review and should decrease CDD review and response times. Unfortunately, the estimated time required to implement this new system is 16-18 months from project inception, which only began in February of 2022.

The Grand Jury is encouraged that the City is prioritizing these IT investments with budget allocations and a signed agreement with the vendor to proceed. The City should do everything possible to 'fast track' implementation of the Tyler Intergov system. This would entail early training and incentives to encourage CDD employees to increase understanding of the system's capabilities and new operational timeframes.

Nonetheless, given the amount of time required before the new system becomes operational, the Grand Jury recommends that other steps be taken to address the responsiveness and review time issues in the short term.

The Grand Jury recommends that the City invest in an experienced project manager to oversee the new system's conversion and implementation among the CDD's five divisions. A project manager could assure residents that the Department will meet or exceed the estimated conversion time of 16-18 months. The project manager could also help increase proficiency among CDD employees who will use the new system. These steps will help the City to take advantage of this new IT management system as soon as possible so that concerns about timely reviews and responsiveness can become a thing of the past.

In addition, the Grand Jury found that the City's response to the COVID pandemic further harmed CDD's responsiveness. City office closures, reduction in CDD's budget leading to staff layoffs, and management and staff attrition all contributed to a lack of responsiveness.

Management jobs were vacant or manned by an interim person, recruiting suffered, and positions went unfilled, all of which caused slowdowns in review of plans and projects. This unforeseen reduction in productivity, due to personnel changes and the manual review process, resulted in the delayed investment in IT technology. A reduction in responsiveness was inevitable.

Napa's development fees cannot be compared to other cities fees because they all use different formulas and policies and do not include identical items and or services. CDD fees are based on having fully staffed personnel so an applicant will not have to pay for an outside consultant.

The Grand Jury also learned about the review process for projects involving historic buildings. There are over 2,500 registered historic properties in Napa; the City has maintained a database of these properties since 1998. The Grand Jury found that no one

in CDD's Planning Division has training in historic preservation. This lack of competency causes two problems:

1. Historic preservation concerns may not be considered when the owner of a building on the department's list applies for a renovation improvement permit.
2. Without a CDD staff member trained in historic preservation, no one is cross-checking the inventory of historic buildings or consistently interfacing with the Cultural Heritage Commission³ to ensure that historic preservation is maintained throughout the renovation process. In several cases, the Commission has not been made aware of an impending renovation.

Given the number of Napa's historically significant properties, the City of Napa Building Division should add a staff member trained in historic preservation. Other California cities similar to Napa in population size and historic property inventory have done so.

The Grand Jury also recommends that the City develop an historic property resource data base and that it be incorporated into the new Tyler Intergov IT system. This will allow any historic building change received by the CDD to be flagged upon submission of an application. The appropriate internal and external historic property experts can then be brought into the approval process in a timely manner.

Because of the continuing demand for more housing in Napa, the Grand Jury also explored the relationship between the CDD Planning Division, the Planning Commission, and the City Council. The Planning Commission plays a dual role in the City's government. First, the Napa Planning Commission is an advisory body for the City Council on matters related to land use and planning, particularly related to amendments to the City's General Plan policies and zoning ordinance. The Planning Commission is also the decision-making body for specified land use actions, including conditional use permits and design review permits. The Planning Commission relies on staff from the City's Planning Division to accomplish its goals. Representatives of the Planning Division meet with the full Planning Commission before every bi-monthly meeting of the Commission to discuss current land use issues. In practice, most planning, building, and development decisions are made by the CDD and do not go the Planning Commission, except for large projects. CDD and Planning Commission decisions can be appealed to the City Council.

FINDINGS

- F1. The City of Napa's Community Development Department's IT system is obsolete, does not meet current needs, and has contributed to delays in review processes.

³ The Cultural Heritage Commission is a five-member advisory body to the City Council on matters related to preservation of historic resources.

- F2. A new IT system will be implemented by the City over the next 16-18 months starting in February 2022.
- F3. The contracts for the new IT system have been signed and the funds allocated. The CDD currently does not use the current IT system but in the future it will be integrated into the new IT system. The new system will be Tyler Intergov and is cloud based, which is a substantial advantage. This system will be integrated into all of the other City systems of the other departments that are involved in the application review process.
- F4. Most documents project applicants need to complete the CDD review process will be submitted and available online at full implementation of the new IT system. It will no longer be necessary to provide multiple copies of plans because all departments involved in the review process of projects will be able to access the same data online.
- F5. The CDD's application review process and general responsiveness to the public were adversely affected by the COVID pandemic.
- F6. Citizen groups often provide new information at the public meetings to the Planning Commission which can result in a delay of a project.
- F7. The Grand Jury believes that CDD's fees are appropriate since they cover services not provided by other jurisdictions.
- F8. The absence of expertise in CDD regarding the renovation of historic sites means that some historic building project applications might not receive appropriate review.

RECOMMENDATIONS

- R1. The Grand Jury recommends that management fast-track the implementation of the Tyler Intergov Information System and encourage CDD'S employees in their training and use of the new system.
- R2. The City should designate a project manager to have oversight over the review process for plans as they move through departments and oversee the timeframe to increase efficiency.
- R3. The City should develop an historic buildings resource database and integrate it into its new IT system.
- R4. The Grand Jury suggests that the Planning Commission and City Council meet yearly to discuss future growth and development issues.

R5. The Community Development Department should educate the public about the Napa City fee structures to make clear they they include services that are not offered by other cities. This approach results in extra costs outside the fee services in those other cities.

R6. The Grand Jury recommends that the CDD either designate a planning staff member or contract with a consultant who specializes historic preservation.

REQUEST FOR RESPONSES

The following responses, required pursuant to Penal Code sections 933 and 933.05:

- The Napa City Council

F1 thru F7

R1 thru R6

INVITED RESPONSES

The following individuals are invited to respond:

- The Napa City Community Development Department Director

F1 thru F7

R1 thru R6

- The Napa City Manager

F1 thru F6

R1 thru R7