



# The VOICE

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### Did you know...

- There were **8** single family home permit issued in the City of Redding and **9** Carr Fire single family rebuild permits issued in January 2019, a **42% increase** over January 2018. There was **1** multi-family permit issued in January 2019, which was the same as in January 2018. Those permits represent a total of **33** total dwelling units. There was **one** mini-storage commercial project with seven buildings, representing **7** permits issued for commercial buildings in January 2019,
- A second **In-N-Out Burger** restaurant plans to open in the new Churn Creek MarketPlace at South Bonnyview and Churn Creek roads. They plan to close escrow and buy the parcel next to Valero gas station this spring, so they can open the store by November 2019. **Ross Dress For Less** also plans to open in Churn Creek MarketPlace, and will anchor the shopping center with Save Mart. California Gold Development, the owner of the center, is looking at a March time frame to finally get moving on the bigger buildings.

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## Quality of Life Crimes at Center of City's Budget Workshops

On January 31st, the City of Redding conducted the first in a series of four City Council budget workshop meetings, specifically for the **purpose of identifying and providing additional and redirected resources** primarily to the Police Department, and to offer a broader understanding of the City's general fund and related 10-year plan.

After presenting an overview of the Redding Police Department (RPD) budget, City Manager Barry Tippin made an impassioned plea for Council to find a **comprehensive solution** that will address "quality of life crimes" with a focus on specific goals and outcomes, not merely throwing resources at those problems.

Mr. Tippin's comments came after RPD Chief Moore explained how new laws in place since 2011 have required many criminals to be released from jail, or not be locked up in the first place: (1) AB 109 reduced the number of inmates in California (for overcrowding), releasing 46,000 early. This law changed the definition of felony and now those people will not ever go to jail. (2) Prop 47 made drug offenses a misdemeanor with a "ticket only," put a \$1,000 "theft threshold" in order for theft to be a felony, and released 10,000 more inmates. (3) Prop 57 now releases all non-violent criminals early. (4) And now, the Courts put people on supervision—**6,515** Prop 47 cases alone in Shasta County currently. In total, there are **9,075** people in Shasta County under some sort of court supervision, thousands of which are actually going unsupervised.

The result of these law changes locally is that those previously arrested for committing crimes are the majority of repeat offenders who have added to RPD's responsibilities. Last year there were 9,500 calls for service, and RPD was able to respond—but the response time is about 14 minutes on average. In order to reduce that response time, and perhaps add non-sworn community service officers to respond to low-level crimes considered to be quality of life crimes, the City hopes to redirect general fund resources, but only with a specific focus on achieving the desired outcome.

Redding City Council has identified "quality of life issues" as their number one priority. They have, however, been clear about their desire to focus on outcomes that will actually **reduce crime**.

Previous attempts (2014, 2016, 2017, 2018) to implement increased sales taxes, both in the City of Redding and County of Shasta, have failed miserably, and have not proven to be a legitimate new source of funding.

Other sources of funding have, in fact, been found towards a comprehensive solution to quality of life crimes: (1) **Jail space** has now been increased by 102 beds; (2) A \$1.7 million grant has been awarded for a **low barrier shelter/sobering center** with 70 total beds, which could be up and running in 18 months, if there is operational funding from the County and the cities of Redding, Anderson, and Shasta Lake; (3) The **Chronic Offender Accountability Program** will keep the top nine local law-breakers in custody until their cases are resolved.

The discussion about **redirecting** specific amounts of general fund dollars to public safety, as well as **raising building/planning/permit fees**, will not occur until after the final budget workshop in March. The next budget workshops are scheduled for February 20th, February 28th, and March 7th, all at 5:00 p.m. in the Council Chambers.

## ***Council Sets Public Hearing March 5th For Increases To Park Development Impact Fees***

On June 13, 2018 the Redding Community Services Advisory Commission (CSCA) voted to recommend to the City Council ***increase*** to the Park Development Impact Fees and adjust the Park In-lieu Fees. The increased fee schedule, which includes a newly added fee category for ***non-residential fees***, is the result of work done in early 2018 with a community Advisory Committee (AC) consisting of Josh Divine, Denise Yergenson, Gary Blanc, Mike Dahl, Matt Moseley, Lori Goyne, Allie Figura, Michele Goedert, and Bert Meyer. Then Assistant City Manager Brian Crane facilitated the meetings.

Before this item was scheduled for a City Council Public Hearing, the Carr Fire occurred, and it was delayed. It has now appeared on the February 19th City Council Consent Agenda as Item 4.6(a), which reads “Set a Public Hearing regarding adjustments to the Park Development Impact and In-lieu Fees” for ***March 5, 2019 at 6:00 p.m.*** in the City Council Chambers.

Here is the proposed increased fee schedule:

<b><u>Fee Schedule Options</u></b>	<b><u>Development Type</u></b>	<b><u>Occupancy</u></b>	<b><u>Proposed Fee</u></b>	<b><u>Current Fee</u></b>
Residential	Single-Family	2.50	\$ <b>5,200.00</b>	\$ 4,331.15
	Multi-Family	1.89	\$ <b>3,935.00</b>	\$ 3,376.34
Non-Residential	Commercial	2.5 emp/ksf	\$ <b>494.00</b> per 1,000 SF	none
	Office	3.7 emp/ksf	\$ <b>731.12</b> per 1,000 SF	none
	Industrial	2 emp/ksf	\$ <b>395.20</b> per 1,000 SF	none

The advisory committee recommended that 100% of the cost of ***new*** parks should be charged to new development, 2/3 of the cost of new trails should be attributed to new development, and 1/3 the cost of recreation facilities should be attributed to new development.

In 2017, during the other development impact fee reviews, the fees recommended and adopted by City Council were all ***decreased***, hoping to create more incentives for reasonably priced housing, as well as business and commercial investment in Redding. With that decrease, many of the smaller residential builders on the sidelines finally again began drawing permits, The largest single family developer in Redding drew about **20%** of permits in 2018, down from over 70% in prior years. And business and commercial investments are once again in the planning stages and moving forward with development. More reasonable fees are often cited as a driving factor.

This is the first time ***non-residential park fees*** are being proposed in Redding, and they are significant. These fees were calculated to ***capture a percentage of the workforce*** coming to Redding who live ***outside*** of the city limits (calculated at **41%** by City staff), but who can utilize all of the various park facilities. The maximum possible allowable fees shown are much higher than those that are being recommended. But even those being recommended are significant for any commercial development:

For a 160,000 square foot retail building (Costco), the fee is **\$79,070**; for a 10,000 square foot office building, the fee is **\$7,313**; for a 50,000 square foot office building, the fee is **\$36,570**; for a 50,000 square foot industrial facility, the fee is **\$19,767**.

In 2013, non-residential fees were studied and it was determined then that such fees were not only too high, but also didn't meet the intent of the impact fee program, used questionable methodology, and ultimately were ***not recommended***. And now, such significant fees could certainly derail plans for non-residential construction, and undermine all the efforts that have occurred recently to ***reduce impact fees*** to revitalize investment in not only Downtown Redding, but the entire city.

The amount of the Park In-lieu fee (also being considered for update) is based upon the fair market value of the amount of land which would otherwise be required for dedication, plus 20% for off-site improvements. The current fee charged to developers is \$1,936 per unit. Using property valuation data provided by Shasta County Assessor's Office for the fair market value, the updated ***in-lieu fee would be reduced to \$1,928 per unit***. Fee reductions seem to make more sense than any increases.

## ***Inpatient Psychiatric Services Expanding in Shasta County***

On February 5th, the Shasta County Supervisors approved an agreement with RestPadd Health Corporation for **\$7,310,000** to provide psychiatric inpatient services for adolescent and adult patients through June 30, 2022.

The agreement will expand the availability of inpatient services in the north state allowing Shasta County residents needing urgent psychiatric services to be placed at the RestPadd Red Bluff facility. This provides an expanded number of beds available, reduces transportation costs related to out-of-county placements, and provides adolescent services locally.

Under the Lanterman-Petris-Short (LPS) Act, RestPadd will be able to intervene with involuntary holds. The LPS Act refers to Sections 5150, 5151, and 5152 of the Welfare and Institutions Code. It is a California law governing the involuntary civil commitments of individuals who, due to mental illness, pose a danger to self, a danger to others, or who are gravely disabled and require inpatient psychiatric services.

## ***Intercity Bus System Between Redding and Sacramento Renamed “Salmon Runner”***

In April, 2018, the Shasta Regional Transportation Agency (SRTA) was awarded over **\$8.6 million** in capital funding for a new zero-emission intercity bus service between Redding and Sacramento, including a valley feeder. The service will offer four inter-connected round-trips per day.

Initially referred to as the North State Intercity Bus System, the service is now officially called the **“Salmon Runner.”** The bus service is designed as a green, affordable transportation option with fares structured so that the highest fare is \$20 and the lowest is \$5. The service schedule coordinates with local transit system connections as well as passenger rail and other intercity bus connections in Sacramento.

The Salmon Runner includes a valley feeder service that connects with the I-5 backbone service in Orland. The valley feeder connects the cities of Orland, Corning, Willows and Chico. This will result in convenient public transportation between Redding and Chico with one transfer.



In January, 2019, SRTA issued a Request for Proposal for the manufacture and delivery of seven battery electric coach style transit vehicles and charging equipment. Although SRTA would like to begin running the service in the fall of 2019, bus manufacturers indicate that the spring of 2020 is a more reasonable time frame. However, if SRTA takes on existing operations of the existing Amtrak thruway bus service, then service could begin sooner with standard buses until the battery electric buses arrive.

An estimated **\$1.2 million** in annual operating expenses is needed for the Salmon Runner and valley feeder service. Operating revenues will come from several State agencies, the Federal Transit Administration, Congestion Mitigation and Air Quality (CMAQ) funds from Tehama County, and a 20% farebox recovery from bus fares.

## ***Agreement Approved by Redding Council for Low Income Housing Project at 1081 Lake Blvd.***

The former Redding Redevelopment Agency acquired a **3.1 acre parcel at 1081 Lake Boulevard** on July 26, 2005, using monies from its Low and Moderate Income Housing Fund, specifically for the purpose of developing low-income housing.

Redevelopment Agencies were eliminated by the State of California in 2011. In January 2012, City Council elected to serve as the Successor Housing Agency (SHA) to the former Redding Redevelopment Agency. In June 2012, the Dissolution Act, AB 1484, took effect which provided clean-up language and procedures for the Agency’s unwinding process. In accordance with AB 1484, the SHA is responsible for assuming the housing functions of the former Agency and for retaining the housing assets that include the property at 1081 Lake Boulevard. *It **must be developed for affordable housing purposes.***

In the event that physical development of the property has not been completed by 2022, the property must be sold and the funds from the sale deposited in the SHA’s Low and Moderate Income Housing Asset Fund.

Local developer **K2 Land and Investment LLC (K2)** submitted a letter of interest to develop the property recently. On February 19th, City Council approved a Resolution for the disposition of the SHA property at 1081 Lake Boulevard to K2. A Disposition and Development Agreement was also approved to transfer title of the property to K2.

Under the approved agreement, K2 will purchase the parcel at fair market value. In addition to the property transfer, the City will also provide public infrastructure grant funding assistance to the developer in an amount of \$700,000, which is a portion of funds received from Declared Disaster Recovery Funds provided by HUD after the Carr Fire, to aide in the infrastructure development of the property for a proposed **40-50 unit multi-family apartment complex**. The funding will be in the form of two loans with a term of 55 years at one percent interest. Repayment of the loans is contingent upon the ability of the project to generate revenue in excess of approved operating expenses (general residual receipts). At the end of the 55 year term, any principal and interest balance will be due and payable to the City.

In addition to the grant funding assistance, federal and state tax credits, along with developer equity and private financing, will be combined to fund the project. In March 2019, K2 will be applying for **9 percent tax credit funding** through the Low-income Tax Credit Program in the amount of about **\$19 million**.

Affordability covenants will be recorded on the property for 55 years that restrict all the units to low-income households earning between 30 and 40 percent of the area median income.

## *Updated News and Notes*

Shasta VOICES is continuing to monitor and follow many issues of interest to our supporters and the community. As part of our efforts to keep you updated and informed, here is a brief update of some of these issues.

**City Treasurer Appointed as Director of Finance**—Effective February 10, 2019, Redding City Treasurer Allyn Van Hooser will be replace retired Director of Finance Dennice Maxwell. Ms. Van Hooser's base salary will be \$10,417 per month. She was selected after a nationwide search and comprehensive interview process. She brings more than 20 years of government finance experience, is a Certified Public Accountant, Certified Public Finance Officer, and has a BA in Accounting and Business Administration. The Finance Department will be restructured to include the Treasurer's Office and Purchasing Division. In addition to overseeing the accounting, budgeting, and financial management for the City, the Finance Department will oversee procurement and treasury services. It will continue to provide business support services to the other City departments, and prepare financial reports and forecasts. This results in annual savings of about \$150,000 to the City's general fund. Ms. Van Hooser has served as the City's Elected Treasurer since December of 2012, and will continue to serve as the City's Elected Treasurer.

**Redding to Anderson Six Lane Project (RASL) Under Way**—A groundbreaking ceremony for the addition of an additional lane on both sides of Interstate-5 from Redding to Anderson is scheduled for **April 4, 2019 at 10:00 am** at the Shasta Gateway (outlet stores) in Anderson. The Redding to Anderson Six Lane Project, referred to as RASL, will add an additional northbound and southbound lane on Interstate 5 from the Deschutes Road interchange to just south of the Bonnyview/Churn Creek interchange, making it a continuous 6 lane facility. Other improvements include rehabilitating the existing pavement, new median barrier, guard railing, overhead signs and upgraded lighting. Safety improvements include longer acceleration lanes for slower moving trucks. The project also includes the widening of 8 bridges as well as the replacement of the Anderson Creek Bridge and the South Anderson Railroad Overhead. Construction for the **\$132 million** project has been awarded to **local contractor JF Shea**. About \$88 million of the \$132 million construction cost comes from Senate Bill 1 (SB1), which increased taxes paid on gasoline to fix neighborhood streets, freeways, and bridges. Work has already begun on the project, and should be completed in about 3 years. The California Department of Transportation began working on moving this project forward in 2011.

**City of Redding Successfully Negotiates Benefit Reforms**—The Redding City Council approved new employee contracts with two bargaining units and unrepresented employees on February 19th. The City faces a shortfall of \$9 million in the General Fund over the next 10 years, largely due to the rising employee medical and retirement costs. As a result of these contract changes, **the General Fund deficit will be reduced by about \$5.5 million**. Here are the major provisions of these agreements with the 239 clerical, technical and professional/supervisory employees (RIEO), the 8 Redding Peace Officers Association-miscellaneous employees (RPOA), and 400 unrepresented employees:

**RIEO—Wages:** A five-year contract through December 31, 2023; 1.5% general wage increase July 12, 2020; 1.5% general wage increase July 11, 2021; 2% general wage increase July 10, 2022; 1% general wage increase July 9, 2023;

**RIEO Benefit Modifications:** 1% additional CalPERS employee contribution, classic only, from 7% to 8% effective immediately; 2.26% employee contribution for PARS eligible employees (50% share of employee normal cost) effective in two installments, 1.13% December 29, 2019, additional 1.13% effective December 26, 2021.

**RIEO Health Program:** 5% additional employee contribution towards group health, phased in two installments; 2.5% effective December 29, 2019, and additional 2.5% effective December 26, 2021 (bringing total contribution to 15%).

**RPOA—Wages:** A five-year contract through December 30, 2023; 1.5% general wage increase December 27, 2020; 1.5% general wage increase December 26, 2021; 2% general wage increase December 25, 2022; \$100 increase for annual uniform allowance.

**RPOA—Benefit Modifications:** 1% additional CalPERS employee contribution, classic only, from 7% to 8% effective immediately; 1.71% additional contribution for PARS eligible employees effective January 1, 2021 (for a total of 2.7%).

The City's employment and benefit policies for **unrepresented** employees also apply to about 400 who are not covered by bargaining units. Wage increases will be 2% (July 2020), 1.5% (July 11, 2021), 2% (July 10, 2022), 1.5% (July 9, 2023). They will pay 3% additional CalPERS employee contribution for safety employees (12-29-19), 1% additional CalPERS employee contribution for non-safety employees, (12-27-20) and 50% of normal PARS employee costs (12-26-21).

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Mary B. Machado, Executive Director