



The VOICE

Your independent news source

Greater Shasta County, CA

Volume XIII, Issue XI

www.shastavoices.com

April 2020

Did you know...

- There were **14 new** single family home permits issued in the City of Redding in March 2020, for a total of **58** so far in 2020, and **2** Carr Fire single family rebuild permits issued in March 2020, for a total of **12** so far in 2020. There was **one** permit issued for new commercial buildings in March 2020, for a total of **5** so far in 2020.
- Distribution of \$50 in credits to all REU ratepayers began on March 31, 2020, and appears on the first monthly billing statement after that date. This was one of the first City of Redding Economic Response Plan items to be implemented.
- The City of Redding received a total of **\$1,753,436** in funding for fiscal year 2020-2021 from the increase in gasoline taxes implemented by the State in 2017, for basic road maintenance and rehabilitation for local streets and roads.

Inside this issue:

Local Covid-19 Pandemic Dominates Discussions	1
Shasta County Planning Commission Nixes Hemp Ordinance	2
Redding Chamber of Commerce Creates Rapid Recovery Team	2
Local Development Fees For Schools Rising Again	3
Updated News and Notes	4
Join Shasta VOICES	4

Local Covid-19 Pandemic Dominates Discussions: Redding Economic Response Plan, Other Updates

On April 21st, the Redding City Council approved the **City of Redding Economic Response Plan** related to the Covid-19 pandemic's impact on the its citizens, implementing the following plans **immediately**:

For all REU Ratepayers (began March 31st):

- Suspend Return to Owner fees: Value— \$200
- Suspend late fees and interest on City of Redding payments: Value— \$60,000
- Suspend City of Redding utility shut-offs: Value— Increased Cash Flow
- Suspend City of Redding utility late fees: Value— \$425,000
- Distribution of \$50 to REU account holders: Value—\$2,200,000

Additional Economic Relief (to begin April 22nd):

- Deferral of Transient Occupancy Tax: Value— \$250,000
- Modify existing CARES program guidelines: Value— \$1,500,000
- Modify existing Utilities amortization program guidelines: Increased Cash Flow
- Refund City of Redding utility deposits: Value— \$3,400,000
- Additional distribution of \$200 to REU account holders: Value— \$9,000,000
- Utility grant program for small businesses: Value— \$600,000
- Local Economic Stimulus Package, putting planned City improvement projects out to bid now for local contractors: Value— \$20,000,000

Total Value of City Response Plan: Est @ \$37,500,000

The County of Shasta is forming a steering committee for the purpose of crafting a plan to modify the current stay-at-home order. This will include public health officials, city and county leaders, educators, law enforcement, faith leaders and business representatives to start discussing **how to reopen our local economy**. So far, we know that County Health Officer Dr. Karen Ramstrom, Health and Human Services Director Donnell Ewert, Sheriff Magrini, Chamber of Commerce CEO Jake Mangas, Redding Mayor Adam McElvain and Vice-Mayor Erin Resner will serve on the committee. There will be many more added to this list.

Up until this point, only those businesses and their employees deemed essential services have been able to work and remain open. Beyond public and private health care providers and government services, this essential group has included **local home builders and contractors** who are doing their best to continue building, keeping thousands employed locally. But new home sales activity has been dramatically reduced with the inability to physically show homes (among other issues), and this could put a halt to construction without some preventive measures and an infusion of some sort of stimulus.

Shasta VOICES is involved in putting together a “stimulus plan” for consideration by local officials to try and avert a construction shutdown by being proactive. The Covid-19 Pandemic is touching every sector of local business. We will continue to do our best to assist in the process of maintaining our local economy. **Stay tuned!**

Shasta County Planning Commission Nixes Hemp Ordinance

Shasta County's two-year moratorium against the cultivation of industrial hemp expired on March 12, 2020. On March 10, 2020, the Shasta County Board of Supervisors (Board) directed staff to prepare an ordinance amending the Shasta County Zoning Plan to regulate industrial hemp in the unincorporated areas of Shasta County. On April 9th, a public hearing for consideration of proposed ordinance options was held during the County Planning Commission meeting.

The proposed ordinance options addressed the cultivation and processing of industrial hemp and the manufacturing of industrial hemp products. From a land use compatibility perspective, the primary issue of concern associated with industrial hemp is odor. In addition, the use of volatile solvents in industrial hemp processing and manufacturing has the potential to result in hazards to on-site workers and others in the immediate vicinity. The proposed ordinance options addressed these and other pertinent issues associated with industrial hemp.

All industrial hemp growers and processors in California must comply with existing state laws as well as any **local regulations** that may apply. In the absence of regulations or a prohibition pertaining to industrial hemp activities in the Shasta County Zoning Plan, it is considered an agricultural crop which may be cultivated and processed in accordance with the applicable regulations regarding agricultural activities, subject to obtaining registration approval from the Shasta County Agricultural Commissioner. Similarly, in the absence of regulations or a prohibition pertaining to the manufacturing of industrial hemp products in the Zoning Plan, this activity is permissible in accordance with the applicable regulations of the Zoning Plan regarding manufacturing activities.

However, the County does have ordinances in place already (Section 17.88.320 and 17.88.325 of the Municipal Code) that prohibit all commercial cannabis activities, as well as non-commercial cannabis cultivation in the unincorporated areas of the County.

By unanimous vote, the Planning Commissioners **denied** recommending the new ordinance options. They opined that the County's existing ordinances relating to cannabis adequately applies to hemp. Additionally, they felt that it would be impossible to enforce the regulations contained in the proposed ordinance options. That recommendation and public hearing will be brought to the Shasta County Board of Supervisors at the **May 5th** regularly scheduled Board meeting.

Redding Chamber of Commerce Creates Rapid Recovery Team to Assist During Covid-19 Crisis

As the COVID-19 Pandemic evolves and continues to impact our economy, we, in Redding, need to be aware of legislative actions by all levels of government. We also need to assess how we, as a community, should respond and adjust to changes as they happen. It is crucial we have a coalition that is successfully leading Redding during this crisis. That coalition has been created and led by **Jake Mangas, CEO for the Redding Chamber of Commerce**.

Under the guidance of key industry experts, the Redding Chamber of Commerce is creating a 12-month Rapid Recovery Team. The Redding Chamber of Commerce and its partners will consult and direct companies directly to advisors who will assist them in the COVID-19 crisis.

The consultations will occur via telephone and an online question form. The advisors will be able to direct the companies to resources based on their individual needs.

Many questions have been received from businesses over the last couple of weeks. In those conversations, there some key categories of questions that arise. The areas of concern and focus on business needs include:

- Capital & Loan Needs; ■ Unemployment and HR; ■ Legal Assistance;
- Communications; ■ Marketing; ■ Technology Needs.

If you need assistance and would like to ask a question or speak with a subject matter expert, you can go to: <https://reddingchamber.com/rapid-recovery-contact/> and complete an inquiry form. The Chamber will connect you with an expert who can help.

The Chamber also has a full list of resources that can be accessed here: <https://reddingchamber.com/coronavirus-resource-guide/>. This includes: ■ Guide to the Paycheck Protection Program; ■ Guide to the Economic Injury Disaster Loan; ■ Guide to the Employee Retention Tax Credit; ■ Update on required FFCRA Documentation.

Local Development Fees For Schools Rising Again

Starting April 9, 2020 and for most of the month of April, all of the school districts in Shasta County are noticing and holding public hearings to “implement development fees established by the District against residential construction and reconstruction at **\$4.08 per square foot** and against new commercial or industrial construction at **\$0.66 a square foot**. The proposed fees are authorized by Education Code Section 17620 and Government Code Section 65995.” If approved, the increased fees will take effect on July 1, 2020. These school impact fees add **\$7,344** to the cost of a newly constructed 1,800 square foot home in the Shasta County area. The fees are a **7% increase** over current fees.

Pursuant to Government Code section 65995, the fee may be **increased in every even year**. The current residential construction fee is **\$3.79** per square foot, and for commercial or industrial construction it is **\$0.61** per square foot. And those fees, established July 1, 2018, were a 9% increase over the fees prior to July 1, 2018.

So, just what do the California Government Codes allowing these fees say? These are the statutes that authorize the collection of developer fees:

1. Education Code Section 17620 authorizes the collection of developer fees.
2. Government Code Section 65995 establishes the types of fees and rates.
3. Government Code Section 66000 sets the process for justifying the fees and appealing or challenging fees.

What the codes say is that the financing of school facilities and the mitigation of the impacts of land use approvals on the need for school facilities are matters of **statewide** concern. For this reason, the Legislature “occupies” the subject matter of requirements related to the need for school facilities, whether financial or non-financial.

This makes it very difficult for builder-developers or the general public to question their local school districts during the public hearings when the amount of the fees are being raised. The standard explanation to the public is that the State sets the fees, and the local districts just implement them. The School District Boards, however, are free to decide to implement a lower fee—the State simply states the maximum fee the districts can charge.

Commonly asked questions are when and how these fees are collected. The fees are actually collected at the time a building permit is obtained from the city or county. As part of that process, each district that imposes developer fees prepares a document called a “Certificate of Compliance.” This reflects the number of square feet and type of construction upon which fees are paid. The city or county building department is responsible for providing square footage calculations. The local cities and Shasta County collect these fees from the builders, and send them to the Shasta County Office of Education (SCOE) who collects them on each school district’s behalf.

A separate fund is established which is used to track the developer fees. There is an annual requirement to review the income and use of the developer fees. **The fees collected must be used within five years or they are required to be returned to the builder or property owner.**

A school district can use the revenue collected from these fees on residential and commercial/industrial construction for the purposes listed below:

1. Purchase or lease of interim school facilities to house **students generated by new construction** pending the construction of permanent facilities.
2. Purchase or lease of land for school facilities for such students.
3. School facilities for such students including: construction, modernization, reconstruction, architectural and engineering costs, permits and plan checking, testing and inspection, furniture for use in the new facilities.
4. Legal and other administrative costs related to the provision of such new facilities.
5. Administration of the collection of, and justification for, such fees, and
6. Any other purpose arising from the process of providing facilities for students generated by new development.

There is plenty of factual information available on the **reduction** in the number of students in our local schools over the past several years. There **hasn’t** been a documented need to provide facilities for students generated by new development. And yet, the fees just continue to increase, simply because the legislature allows it.

It’ll be interesting, as always, to see if the collected fees are used, or at least dedicated, within the allotted five years. If not, they are supposed to be returned, though there is scant data on how many of these fees have ever been returned.

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.

Planning Commission Public Hearing for River Crossing Marketplace (Costco Project) Re-scheduled for April 28th —On April 17th, the Redding Planning Commission posted a notice of public hearing to be held on **April 28th at 4:00 pm** in the City Council Chambers to “consider the recommended environmental determinations on whether to approve, modify, certify, or deny the River Crossing Marketplace Specific Plan, General Plan amendment, and rezoning by Costco Wholesale, in association with Rich Development, to develop 25 acres of undeveloped land with a 152,000 square foot discount warehouse, including a fuel station with up to 30 fueling stations, and about 62,000 square feet of complementary retail, service and restaurant uses.” Given the limitations imposed on public gatherings and social distancing protocols established during the current Coronavirus Pandemic, the City of Redding has modified the process in which it will conduct public hearings by using “remote participation.” Options to view the meeting include internet live-streaming or television live streaming (City website has instructions). Public comments may be submitted by regular mail (City of Redding, Planning Division, PO Box 496071, Redding, CA, 96049, or by email, planningcommission@cityofredding.org. Emails received by the Planning Division before 12:00 noon on April 28th will be electronically forwarded to the Planning Commissioners. Emails will continue to be received after 12:00 noon on April 28th, and during the meeting until the Chairman announces that the time to submit comments has closed. Redding City Council is expected to consider the project at the **May 19th** City Council meeting.

Consultant Hired To Design and Manage South Bonnyview Interchange Improvements—On April 21st, Redding City Council authorized the Mayor to execute a consulting and professional services contract for the “South Bonnyview I-5 Bechelli Project” with GHD, Inc. to provide management, preliminary and final design, environmental compliance support, right-of-way appraisal, and assistance during the bidding and construction for the project. The contract is for \$1.2 million, and will be paid from citywide traffic impact fee program funds. The expected total cost of the project is about \$8.5 million and funded by the traffic impact fee program. However, City staff anticipates the federal government may approve an economic stimulus infrastructure package associated with the Covid-19 pandemic. Should this occur, staff will recommend the Council request construction funding from federal sources. If approved, the package will likely include funding for infrastructure projects that are “**shovel ready**” similar to the American Recovery and Reinvestment Act (ARRA) implemented following the Great Recession. The City was able to secure millions of dollars of ARRA funding then because they had shovel ready projects. Therefore, Council voted 3-2 (McElvain, Dacquisto dissenting) to move forward with this contract. City staff said that the project is needed regardless of whether or not the River Crossing Marketplace (Costco Project) is approved.

City of Anderson Extends Reduction or Elimination of Commercial Impact Fees—On April 19, 2016, the City of Anderson adopted an “Impact Fee Enhancement Policy” for new commercial and industrial projects within the City of Anderson. On June 16, 2017, this policy was extended; on July 17, 2018, it was extended again; on March 3, 2020, it has once again been extended for fiscal years 2019-2020 and 2020-2021. There are six key factors in applying for this development fee reduction program: 1) **Type of development**—the development is for new or expansion of commercial or industrial business opportunities; 2) **Permanency of the business**—the project is owner-occupied or subject to a long-term lease; 3) **Job creation or sales tax revenue**—the project will create or retain jobs that are a good match for the available workforce in the City of Anderson and/or will increase sales tax revenues by \$20,000 or greater annually; 4) **Location**—the development project site is located in an area of the City where public infrastructure to support the proposed development exists or exists in close proximity; 5) **Zoning**—the project site is currently zoned for the development sought; and 6) **Overall revenue generation for the City**—the development will create an increase in assessed valuation, and therefore property tax receipts due to the City will increase, which combined with potential sales tax revenue and other revenue streams resulting from the job creation and economic activity of the development, help offset the reduced fees. A fee reduction may not be offered to a business relocating to the City of Anderson within a close radius (set forth in Gov. code sections 53084 and 53084.5).

Join Shasta VOICES today.

We depend on membership and other contributions.

If you are viewing this issue of “**THE VOICE**” on our website, click on the **membership tab** for information and to download a membership application or contributor form. Or, you can obtain more information by going to our website, www.shastavoices.com, or calling (530) 222-5251.

Mary B. Machado, Executive Director