



The VOICE

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Did you know...

- There were **12** single family home permits issued in the City of Redding in August 2018 for a total of 73 so far in 2018. That is **7 less** than were issued in the first 8 months of 2017, a 9% reduction. There were **no** permits issued for commercial buildings in August 2018, for a total of 7 so far in 2018. That is **ten fewer** issued than for the first eight months of 2017.
- “The Park” Food Truck Court in downtown Redding (Carnegie Park) opens for dinner on September 27th, with five food trucks to serve customers, and a bar where customers can buy beer, wine and soft drinks. As of September 28th, the Park hours will be 11:00 am to 9:00 pm. An amended agreement with the Park’s operator, TF Investment Group LLC, was discussed, but **not approved** for a two-year term with four two-year extensions by Redding City Council on September 18th. The Councilors had concerns with the proposed two automatic 4-year contract extensions, lack of a market rate analysis for the suggested rent of \$1,000 per month with 2% increases, and no ability for annual reviews that are included in the existing contract. More work will be done to answer those concerns before returning to Council for consideration and/or changes.

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Funding Options Laid Out For Public Safety Personnel

On September 5th, Redding City Council accepted a report by City Manager Barry Tippin that identified four existing City “programs” that could be modified to **find the \$800,000 per year** that would be needed to maintain three firefighter positions and four police officer positions that could otherwise be eliminated July 1, 2019.

Here are the existing programs that were indentified for modification, or more accurately, reduction in services or increase in fees charged to the general public:

1. **Building Permits:** Fees charged to process building permits apparently do not cover the cost of issuing the permits. The Building and Development Services Department is currently subsidized by the General Fund by about \$500,000 per year. That strategy was chosen years ago due in large part to a desire to hold fees to a minimum rather than be detrimental to building and development. It was suggested that these fees are based on 2005 numbers, which could be updated to help close the public safety gap.
2. **Planning Fees:** Many of the fees charged to process planning permits apparently do not cover the expense of issuing the permits. The Planning Division and Development Services Department is currently subsidized by the General Fund by about \$1,000,000 per year. That strategy was chosen years ago to hold fees to a minimum to assist with economic development in the City, rather than having fees so high as to prevent economically attractive projects from moving forward. It was suggested that adjusting these fees upward could be more detrimental than adjusting the building fees upward, but should be considered nonetheless. Planning also provides many services to the public without charging a fee (zoning related questions, phone inquiries, meetings to discuss prospective projects etc.). It was suggested that a “drop by service fee” could be collected to help close the public safety gap.
3. **Recreation:** Fees charged for recreation programs do not cover the expenses of providing the programs. The Recreation Division of the Community Services Department is subsidized by the General Fund by about \$1,000,000 per year. City Council has a policy that provides “cost recovery targets” on class and programs fees and intentionally holds down the fees to assure access to all Redding area families. Permanent staff costs are not included in these numbers. It’s possible that other recreation program providers in Redding (i.e. YMCA) could take up some of these programs and free up some funding.
4. **Library:** The City operates the library under a 40 year contract, and contributes about \$800,000 per year towards that agreement. Were the City to terminate that agreement, they would have to pay liquated damages of about \$750,000. If these financial issues weren’t reason enough for Council to say this is **not** a good idea, at least a dozen people spoke at the Council meeting against such a move. Council was unanimous in saying they had **no interest in taking money from the library.**
5. **Transient Occupancy Tax (TOT):** The City receives about \$5,000,000 per year in TOT revenue. Most of those funds go to the General Fund. The City contracts with the Shasta Cascade Wonderland Association to operate the Redding and Convention Bureau (RCVB) at a cost of about \$1,100,000. That contract expires 7-1-19, providing an opportunity for negotiation, and perhaps additional funds for public safety.

All options, except for the Library, will be further defined by staff, and stakeholder and other meetings to gather public input will be held during the next few months prior to any proposals being offered for Council consideration. Stay tuned for updates as available!

One Commercial Cannabis Grow Site Denied, One Approved

The *first two* potential commercial cannabis cultivation sites in the City of Redding were brought before the Planning Commission in August and September for use permit approval. One was denied, one was approved.

- On August 28th, Jeremy Aleck had proposed to convert an existing building located at **3048 South Market Street** into a commercial cannabis cultivation site, consistent with the new City of Redding commercial cannabis ordinance. The property has been used as a retail facility for many years, most recently operating as Northern Rehab, and is surrounded on three sides by the Good News Rescue Mission (GNRM). On August 28th, the Redding Planning Commission considered the use permit request, and after a heated public hearing, *voted to deny the request*. A dozen people, including members of the Good News Rescue Mission opposed the project, which they felt was right next door to “hundreds” of people in GNRM recovery programs working toward sobriety and trying to kick addiction, as well as a GNRM building only 100 feet away from this proposed project that has children there all day every day. As a follow up to this use permit denial, on September 11th, the Planning Commission adopted **findings of fact** in support of their conclusion that includes (among others): 1) other uses proximate to 3048 Market Street are single family residences and an apartment complex; 2) the area surrounding 3048 Market Street is a high crime area of the City of Redding; 3) the GNRM provides faith-based services including emergency subsistence services and long term recovery services; 4) the GNRM houses about 200 homeless individuals and treats about 75 persons for drug and alcohol related addictions on campus; 5) the GNRM provides drug and alcohol treatment at facilities that are 100 feet away from the proposed location; 6) children are housed with their mothers at facilities located on the GNRM campus, including mothers who are in drug and alcohol treatment programs; 7) permitting cannabis cultivation at a premises that is surrounded by the GNRM campus may unnecessarily jeopardize continued referrals for women and children by the County; 8) the GNRM treats men suffering from addiction at a facility that is located adjacent to the proposed project; 9) it does not serve the general health and welfare of the men and women at the GNRM either known to be at risk for or attending and residing at the GNRM for the purpose of alcohol and drug addiction to be present also at a location which cultivates cannabis. The *project applicant has now has now appealed the denial*, and the appeal is scheduled to be heard at the October 3rd City Council meeting.
- On September 11th, Pinnacle Cultivators requested Planning Commission approval of a use permit to commercially cultivate cannabis on property located at **2915 Innsbruck Drive** in Redding, consistent with the City’s commercial cannabis ordinance. This property has been used as an industrial warehouse and office facility, with heavy commercial zoning. There were no public comments received. *The request was approved unanimously*. The overall change of use was said to have little impact to the area due to the low volume of employees accessing the site and the lack of any members of the public allowed on site. The building will be highly secured and will have little outside activity.

City Finds Additional \$16 million For 10-Yr Budget

The City of Redding’s 2017-2018 fiscal year-end budget report shows that **General Fund** revenues totaled \$74,097,043, an increase of \$1,281,103 above cash flow projections. Revenues from sales tax, property tax, transient occupancy tax (TOT) and permit revenue were all higher than projected. The City will now carry out these increases into the remaining years of their 10 year plan through 2027-2028, resulting in compounding (although you cannot assume revenues will actually compound), which helps reduce the amount of the 10 year deficit that one year ago was about \$25 million.

Additionally, expenditures were less than expected for a number of reasons. When the City received its annual report from CalPERS, the City’s retirement pension contractor, it showed that the CalPERS rate of return on their portfolio of pension fund investments was **11.7%**, which is far above their projected return of 7% for the 2016-2017 fiscal year. This *reduced* both the unfunded liability payment amounts and the normal cost rates charged to the City for employee pensions. Those reductions total about \$7.2 million through fiscal year 2027-2028. A total of about \$2 million (27%) of this reduction amount is attributed to the miscellaneous employees pension cost rates charged to the General Fund. Rate reductions for the miscellaneous employees who work in Enterprise Fund jobs (i.e., REU, Water and Wastewater Utilities) are not included in the General Fund 10 year plan, as these employees are not paid from the General Plan funds.

Labor group contract negotiations also will bring the 10 year plan deficit down further: Redding Peace Officers Association (RPOA), Redding Police Managers Association (RPMA), and UPEC Fire Management concessions and agreements to pay a larger portion of their CalPERS pension costs will result in a savings of about **\$2.5 million** over the remaining years of the 10 year plan.

With the *compounding* of increased General Fund revenues, total *CalPERS savings* of about \$6 million, and labor partner *contract savings* of about \$2.5 million, the updated fiscal year-end budget report now shows that the City will need about \$3.4 million in fiscal year 2027-2028 to maintain a 5% General Fund reserve. Without the compounding of General Fund revenues, which City Manager Barry Tippin preferred not to use in calculations to maintain a 5% reserve in the 10 year plan, that number would be about \$9 million, a **\$16 million reduction** from the projected amount of \$25 million outlined during the February 2018 General Fund update.

County Adopts Limited Density Owner-Built Rural Dwellings Ordinance

On August 21st, Shasta County Supervisors determined that an Ordinance allowing ***relaxed building standards*** would be beneficial to the rebuilding process in unincorporated Shasta County as recovery begins from the Carr Fire. On September 18th, they adopted such an Ordinance, with the stipulation that they reserve an opportunity to change the requirements if necessary.

The Carr Fire resulted in the loss of 817 homes and many other outbuildings in rural areas of Shasta County. Many of these structures were uninsured or underinsured. A large portion of the unincorporated area impacted by the Carr Fire is very remote, utility services are cost prohibitive and difficult to obtain, and there is a lack of readily available public water or utility power connections. This would exclude participation in the normal permit process and create an unreasonable burden to property owners to comply with the current building requirements.

Therefore, the ***“Limited Density Owner-Built Rural Dwellings Ordinance”*** was enacted for dwellings located on a legal parcel in the County that were impacted by the Carr Fire and/or located in the Carr Fire zone, in a zone that allows for single family residences, and with a sewer connection or of sufficient size and configuration to fulfill the sewage disposal system setbacks to all property lines. Building Code compliance will be as follows (among several pages of other issues):

1. The **1997 edition** of the California Building Standards Code will be used in determining compliance.
2. Current plumbing and sanitation standards must still be met; residential fire sprinkler systems must be included.
3. Must comply with “Materials and Construction Methods for Wildfire Exposure” requirements in current Code.
4. The Building Official shall use the plans of a certified architect, engineer, or structural engineer.
5. The plans were previously issued for a structure that was destroyed or damaged in the Carr Fire.
6. The plans were not issued before January 1, 1998.
7. The applicant requests that this standard be used and provide the plans to the Building Official.

Initially, the Board of Supervisors requested that this Ordinance include the ***waiver*** of residential fire sprinkler systems. Unfortunately, the Cal-Fire Chief did ***not agree*** with this, stating that there were substantial benefits provided by residential sprinklers in many other circumstances other than wildfires. So, the Supervisors approved the Ordinance ***without waiving*** this requirement...and agreed that if this prevented those wanting to rebuild from moving forward, they would bring the Ordinance back for changes to that particular requirement. Chairman Baugh also stated that this was a fluid document, and the goal is to have less restrictive standards—if it becomes apparent that changes to the Ordinance need to be made in order for rebuilding to occur, the Supervisors are prepared to revisit the Ordinance and do what they can legally do to assist in the process. It won't be long before we will know if this Ordinance will make a positive difference...or not. Stay tuned!

County General Plan Housing Element Update Goes to State Separate Legal Settlement Could Stop Building Altogether

In order to bring the County's General Plan into ***compliance*** with State Housing Law for affordable housing, along with a judgment rendered by the Shasta County Superior Court against the County, the County Planning Commission brought ***three applications*** to amend the County's General Plan Land Use Maps and Zoning Maps for Board approval at the September 18th Board of Supervisors meeting. The proposals for consideration were for rezoning areas that could accommodate multiple family units with a capacity of 20-25 units per acre, based on their location within town centers or designated urban centers, which are served by or have access to community water and sewer.

The settlement agreement from a successful lawsuit brought by Legal Services of Northern California, which is a separate action from the State required Housing Element update, includes specific actions relating to the Housing Element update that ***must be met by November 30, 2018***, which is quickly approaching. If compliance is not reached by that date, the legal ramifications could include stopping all building permits and construction in unincorporated Shasta County until compliance is reached.

At issue is that the State has assigned a Regional Housing Needs Assessment (RNHA) to Shasta County, who must create policies and programs to accommodate its RNHA household numbers for very low, low, moderate, and above moderate income housing units. That number is ***755*** total units covering the current planning cycle for 2014-2019. However, the County did not meet its RNHA requirement for the 2009-2014 planning cycle, and must ***add 215 units as a carryover*** from that cycle. So the total number of units needed to meet the requirement is ***970 units***. The County is particularly lacking in the very low and low household units category, and has been for many years. The settlement agreement requires compliance with these numbers.

But, after almost 2 hours of testimony at the September 18th Supervisors meeting from unhappy Palo Cedro area property owners who are adamantly opposed to “high-density housing” in their rural community, which was the proposed Area 3, the Planning Commission ***withdrew*** the recommendation of this site. Our readers may recall that there was a similar experience at the Planning Commission meeting on August 23rd, and they also withdrew Area 4 in Cottonwood from consideration. Although this did not prevent the County from submitting the draft updated Housing Element to California Department of Housing and Community Development with approved Areas 1 and 2 for review and comment, more work will have to be done very quickly if the County is to become compliant with the separate judgment agreement by the deadline of November 30, 2018. There is still a need to locate and rezone sufficient land to accommodate the required number of low income housing units, and reducing constraints to the development of affordable housing. With the withdrawal of Area 3 (Palo Cedro) and Area 4 (Cottonwood), there is now a ***need to find and replace 12.5 acres*** for rezoning to multiple family units.

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 of Redding Hires Interim Planning Manager—The City of Redding has hired Lily Toy as Interim Planning Manager to replace Paul Hellman, who accepted a position as Director of Resource Management for Shasta County in August. Lily has worked in the planning department at the City of Redding for about 16 years.

United Airlines to Offer Flights to LAX from Redding—The City of Redding and United Airlines (United Express) have announced that nonstop flights to Los Angeles International Airport (LAX) will **begin on March 8, 2019**. One flight will run daily. It will leave LAX at 7:10 p.m. and arrive in Redding at 9:25 p.m. The 50-seat regional jet will stay overnight and leave for LAX at 6:45 a.m. the following day, arriving at 8:35 a.m. Working with our local Economic Development Corporation of Shasta County and other business leaders, a \$1 million nonbinding travel bank (trust fund) was established to help make Redding a contender for this service. If there is a time in which the airline doesn't make its needed revenue, they could use the travel bank trust fund to make up the difference. The last time Redding had air service to Los Angeles was from 2005 through 2011, when Horizon Air provided those flights.

New Mental Health/ Acute Psychiatric Service Contracts Approved Locally—Shasta County Supervisors approved two agreements with local providers for mental health services on September 11th. An agreement in the amount of **\$7.5 million** with **Vista Pacifica** will provide residential treatment services for mentally disabled adults through June 30, 2020. Vista Pacifica is a comprehensive 24 hour facility that serves adults who suffer from acute or chronic medical conditions and are severely and persistently mentally ill. They provide a significant cost savings alternative to placement in the more restrictive State psychiatric facility, and have been providing this level of care for Shasta County for many years. A second agreement in the amount of **\$7.5 million** designates **Shasta Regional Medical Center**, operated by Prime Healthcare LLC as a facility to provide 72-hour treatment and evaluations, 14-day intensive treatment, and 30-day intensive treatment for inpatient psychiatric hospitalization services through June 30, 2021 on a fee-for-service basis. This agreement allows Shasta County to purchase acute psychiatric inpatient services at Prime Healthcare's location in Redding for Shasta County patients evaluated and referred by Shasta County clinical staff directly or those that act on Shasta County's behalf. The costs for both of these contracted services are included in the County's Mental Health budget.

Veterans Outpatient Clinic Final EA Completed—The Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) for the proposed construction and operation of a VA Community Based Outpatient Clinic in Redding has been completed. The *draft* documents were available for public review and comment from July 22, 2018 through August 22, 2018. VA received no public comments during this public review. Therefore, the Final EA and FONSI are now available for review at the Redding Public Library. Former state Sen. Maurice Johannessen donated 15.9 acres of land on Knighton Road, across the street from the existing Veterans Home, for the state-of-the-art outpatient clinic. The City of Redding has approved a 77,000-square foot clinic proposed by Johannessen. The new facility will consolidate the operations of two existing clinics, while adding 50 percent more space. The extra room would accommodate 17 mental health providers, a mammography division and a second X-ray unit. Johannessen proposes a campus featuring the medical clinic and an apartment building for up to 95 veterans. The idea has been in the making for 22 years. This is now the final phase of the environmental assessment process, another step forward in making Sen. Johannessen's vision a reality.

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