



The VOICE

Your independent news source

Greater Shasta County, CA

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Did you know...

- There were **8** single family home permits issued in the City of Redding in December 2019, for a total of **109** in 2019, and 6 Carr Fire single family rebuild permits issued in December 2019, for a total of **114** in 2019. There were a total of **91** multi-family units permitted in 2019. There were no permits issued for new commercial buildings in December 2019, for a total of **18** in 2019.
- Melissa Hunt, by a unanimous vote of Anderson City Council on December 17, 2019, is the new Mayor of the City of Anderson. Susie Baugh is the new Vice-Mayor.
- Janice Powell, by a unanimous vote of City of Shasta Lake City Council on December 3, 2019, is the new Mayor of the City of Shasta Lake. Pamelyn Morgan is the new Vice-Mayor.

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Affordable and Supportive Housing Projects Moving Forward in Redding and Shasta County

On October 19, 2019, California's Department of Housing and Community Development (HCD) announced through a "Notice of Funding Availability (NOFA)" that applications were being accepted under a program called Infill Infrastructure Grants (IIG). There is approximately **\$85 million** in IIG funds available for small jurisdictions, which are defined as any city or county with a population of less than 250,000 as of January 1, 2019.

On January 21st, Redding City Council authorized City staff to submit an application together with the **Center of Hope Apartments, LLC** for up to \$7.5 million to provide financial assistance for infrastructure improvements necessary to facilitate this new infill housing development. On December 10, 2019, Shasta County awarded the McConnell Foundation and ADK Properties LLC (a K2 Development company), the "No Place Like Home" program funds in the amount of \$889,538 to support the construction of the Center of Hope Apartments project, a **49-unit** affordable housing development at 1201 Industrial Avenue in Redding. Fifteen of the units will be permanent supportive housing for adults with serious mental illness who are homeless, chronically homeless, or at risk of chronic homelessness. Hill Country Community Clinic will be the lead service provider. This project will be located adjacent to the Center of Hope, a new 40,000 square-foot healthcare and housing facility. Additionally, on January 8, 2020, the County of Shasta submitted another "No Place Like Home" application (up to \$5 million) in support of this project in a competitive, state-wide process. The McConnell Foundation is also planning to apply for other funding sources throughout 2020. Altogether, the apartments would cost \$22 million, creating a \$44 million campus dedicated to helping those in need of care and housing.

K2 Development Company is also in the process of moving forward with **Kennant Court Apartments**, located at 1081 and 1085 Lake Boulevard in Redding. Permits were drawn for the **47-unit** affordable apartment complex in December, 2019, for low-income residents making 35 percent to 60 percent of the area's median household income. \$15 million in State funding has already been secured for this project.

K2 Development Company is also busy in the County of Shasta, where they have a proposed project which is in the process of applying for HUD Project-based Vouchers, for a **28-30** unit affordable housing project to be built on a vacant lot of 5.75 acres located at **20549 Mackinoc Street** in the community of **Burney**. K2 is also in the process of obtaining approval for a use permit to construct a mixed-use development at the north and south sides of Shasta Dam Boulevard in the **City of Shasta Lake** that includes **49** units of affordable housing.

On January 21st, Redding City Council also authorized City staff to jointly submit an IIG application with California Corporation and Community Action Agency of Butte County (developers) up to \$7.5 million for the **Lowden Lane Senior Housing** project. The developer has proposed construction of a **97-unit** affordable senior housing complex at full build out on Lowden Lane in Redding. The units carry rent restrictions, making them affordable to residents 62 and older with incomes from 30 percent to 50 percent of the area median income. The project will have a 2,650-square foot resident center with community/meeting room, a kitchen, restroom and office spaces. Redding Planning Commissioners approved the project on December 12, 2016. Housing vouchers for the project have already been approved, along with an impact fee deferral of \$300,000.

Together with the two K2 mixed-use projects now under construction in Downtown Redding, there will soon be **over 600** additional affordable and low income units created in the area.

Will Proposed Utility Rate Increases Be Approved By Ratepayers To Fund New CIP Plan?

On January 21st, Redding City Council approved the City of Redding's Capital Improvement Plan (CIP) for fiscal years 2019-2020 to 2024-2025.

The CIP is not binding, nor is it a formal budget document, according to Public Works Director Chuck Auckland. It is designed to function as a major reference document to help in future budgeting decisions. It is a multi-year schedule of public improvements planned by the various departments of the City. The CIP contains projects from eight divisions: Airports, Redding Electric Utility, Solid Waste, Storm Drain Utility, Streets, Wastewater Utility, and Water Utility. Combined, the CIP contains **132 projects, totaling about \$299 million**, with revenue from 33 different sources that can be grouped into nine different funding source categories: 1) Utility rates—51.2% or \$153 million; 2) Grants—28.4% or \$85 million; 3) Impact Fees—12.6% or \$37.8 million; 4) Local Streets and Roads Fund—5.6% or \$16.7 million; 5) General Fund—1.2% or \$3.7 million; 6) Airport PFC—0.5% or \$1.5 million; 7) Airport Fund—0.2% or \$525,000; 8) State—0.1% or \$314,000; 9) Donations—0.1% or \$262,000.

The CIP report in its entirety, totaling 78 pages, is available online, and lists all of the potential projects, their costs, and their potential funding sources. The largest "potential" funding source is from customer utility rates.

On December 18, 2019, the City mailed out a "Notice of Public Hearing" to all of its utility customers, to **consider adoption of rate increases for water, wastewater, and solid waste utility services** for the next 3 years. The utility rates are calculated to provide funds to recover the cost of maintenance and operation of each utility, such as purchasing water, electricity, supplies, rehabilitation and replacement of equipment and infrastructure, employee costs, and regulatory compliance.

Since utility rate increases are subject to Proposition 218 requirements, the City must inform property owners (which they did) of the proposed increases, clearly demonstrate the basis on which the rates are calculated, and hold a public hearing at least 45 days after public notification. The **property owner and utility ratepayer subject to the proposed rate increases may submit a protest against any or all of the proposed rate changes by filing a written protest** with the City Clerk before the time set for the public hearing. Along with the proper rate information, the City included a protest form for completion by those who are against the rate increases. This protest form must be completed and mailed or delivered to the City Clerk no later than the end of the public hearing on **February 4, 2020**. If a **majority protest** (50% plus 1) occurs, the rate increases cannot occur.

The City is relying on the proposed utility rate increases to fund a good portion of the CIP in the future. The increases would add about \$20 per month over the next 3 years to the average utility customer's bill. And, of course, there are plans to continue to raise the monthly rates each year for the foreseeable future. On February 4th, the City will see if their utility customers are willing to approve these rate increases, or not. Using this same procedure during the last proposed utility rate increases, there were 32 percent of the ratepayers who protested, short of the 50 percent majority required to stop the increases. Stay tuned!

City Purchasing Electric Vehicle for Downtown Shuttle Program

On December 17, 2019, the Redding City Council approved the purchase of three electric vehicles to support a "Downtown Shuttle Program." The total vehicle cost of \$150,000 will be paid from Redding Electric Utility's cap and trade funds. Additionally, the McConnell Foundation will provide a grant of \$80,000 to assist the City with the costs to administer and operate the shuttle service as a pilot program for a 12-month term.

Due to downtown developments, parking is shifting to alternative locations downtown to make use of "existing capacity." Downtown property owners and businesses expressed interest in, and support of, a shuttle that would connect people by transporting them from these outlying parking facilities to the downtown businesses, events, and activity areas. The Downtown shuttle service is an alternative concept to encourage downtown long-term parking users to utilize outlying off-street parking facilities.

Shuttle operation would be staffed by Redding Police Department Police Cadets Monday through Friday at time intervals based on demand, more than likely in the morning from 7 am to 9 am, and in the afternoon from 3:30 p.m. to 6 p.m. The shuttle service routes and schedules will be coordinated and fine-tuned with **full operation by March 2020**.

The Downtown shuttle service will utilize all-electric vehicles (EVs), such as the Polaris GEM, for efficiency and reduction of environmental impacts. General features of EVs include passenger seating for up to 6; safety features that include automotive grade windshield, 3-point seatbelts, LED turn signals and a backup camera, low operation and maintenance costs of about \$0.03 per mile, and customizable options such as cargo carriers. Vehicles like the GEM are considered a street-legal low speed vehicle by the California DMV and meet the CalTrans requirements on roads posted up to 35 mph.

The City will enter into a cooperative agreement through Sourcewell with Toyota Material Handling of Northern California for the purchase of the EVs.

Shasta County's 2018-2019 MFA Report Raises Questions About The Impact Fee Program

For any jurisdiction that has a development impact fee program and collects impact fees from development projects, California Government Code 66000 (et. seq.) defines specific reporting requirements to provide the public an annual account of revenues and expenditures associated with the various impact fee programs. The annual reports must be made available to the public within 180 days of the end of the fiscal year.

To meet the requirements, the cities of Redding, Anderson, and County of Shasta have prepared Mitigation Fee Act Report (MFA) updates for fiscal year 2018-2019. The requirements are that the report must contain the following:

- A brief description of the type of fee in the account or fund.
- The amount of the fee.
- The beginning and ending balance of the account or fund.
- The amount of the fees collected and the interest earned.
- An identification of ***each public improvement on which fees were expended*** and the amount of the expenditure of each improvement, including the total percentage of the cost of the public improvements funded by the fees.
- An identification of an approximate ***date by which the construction of the public improvement will commence*** if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- A description of each interfund transfer or loan, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of a loan, when the loan will be repaid and the rate of interest the loan will receive.
- The ***amount of refunds***.

The MFA report update for the City of Redding accounts for nearly \$27 million in development fees for fiscal year 2018-2019. The MFA report update for the City of Anderson for fiscal year 2018-2019 accounts for \$1.3 million. Each of these impact fee programs has identified public improvements for which the collected impact fees are being utilized. And each of these programs has been reviewed and updated on a regular basis, which has resulted in multiple fee reductions and changes over the past 10 to 12 years.

The MFA report update for Shasta County for fiscal year 2018-2019 however, only accounts for \$975,000. And for the entire ten year life of the County's Facilities Impact Fee Program, the County has only collected a total of \$4,568,892, with only \$270,000 actually spent, of which \$60,000 was for administrative costs of doing business. This speaks volumes as to why the County is in the process of "reviewing" their Impact Fee Program now, which Shasta VOICES has strongly suggested for several years. The projections for growth in the unincorporated areas of Shasta County were grossly over-projected in 2008 when the Fee Program was implemented, with the fees calculated for growth that never occurred. In fact, the population of all of Shasta County as of January 1, 2019, as estimated by the California Department of Finance Demographic Research Unit on May 1, 2019, was 178,773 (it was 178,000 in 2008), and only 65,669 for the ***unincorporated*** areas of Shasta County, ***less than the 67,900 figure in 2008***. But the County has not revisited the Fee Program at all since 2008. The only adjustments made to the Fee Program have been regular annual "inflationary" increases.

Additionally, the Shasta County MFA report (page 8) states, ***"Shasta County has no future public improvements with identified approximate dates of construction. Local funds have not been determined to be sufficient to complete or begin construction."*** Government Code §66006(f) states clearly that "at the time the local agency imposes a fee for public improvements on a specific development project, it shall identify the public improvement that the fee will be used to finance."

Also, there are not public facilities of any type identified in the County's 2019-2020 Budget, although the County has stated that a Capital Improvement Plan (CIP) is an essential component in support of their 2008 Impact Fee Study.

With no future identified public improvements, one would logically conclude that the County's Facilities Impact Fee Program does not meet the criteria for the collection of impact fees under the MFA guidelines. To date, there have been no refunds, as is required if fees collected from developers are not used for their intended purpose, or in this particular case, if there are no specific plans for future public improvements.

Shasta VOICES will continue to follow and participate in the "review" of the County's Impact Fee Program that is currently being conducted by an outside consultant. Stay tuned for updates!

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.

New County Executive Officer Selected—On January 14, 2020, the Shasta County Board of Supervisors approved an employment contract appointing **Matthew P. Pontes** to replace recently retired Larry Lees as the County Executive Officer/Clerk of the Board of Shasta County, for a three-year term beginning on January 27, 2020. Mr. Pontes, 46, has served as an Assistant County Executive Officer in Santa Barbara County since 2016. Before that, he was General Services Director for Santa Barbara County, where he contributed towards launching a new jail facility, and had oversight of agriculture, planning, public works, general services and community services. His government related work includes over twenty years of experience, including assistant director of parks and recreation and general services division director in Kern County. Prior to working in Kern County, he lived in Shasta County in the 1990's, working as a timber consultant. The starting salary for Mr. Pontes will be \$240,096.00 per year as the Shasta County CEO.



River Crossing Marketplace (Costco Project) DEIR Recirculated—The City of Redding gave notice on December 20, 2019 that portions of the Draft Environmental Impact Report (DEIR) for the River Crossing Marketplace Specific Plan, which includes the planned new Costco facility, located at the northeast corner of South Bonnyview Road and Bechelli Lane, is being recirculated. The City had previously circulated a DEIR for public review from April 13, 2018 through June 12, 2018, and after receiving comments, recirculated portions of the DEIR for public review from April 1, 2019 through May 30, 2019. Comments received on the recirculated portions of the DEIR at the City Council meeting of August 6, 2019, identified a double-counting of pass-by trips in the air quality analysis that has now been corrected, as well as a revision of the traffic impact analysis report that now includes the proposed Redding Rancheria Casino Project. Anyone interested in **submitting comments** on this recirculated DEIR must do so **no later than Thursday, February 6, 2020**.

Parts of Mt. Shasta Mall Remodel Near Completion— About one year ago, the former site of the Sears Department Store in the Mt. Shasta Mall began a major remodeling project. The first new tenant, **Sprouts Farmers Market**, has been actively hiring local people for a few weeks, and has plans to open on February 26th. Their sign went up in late January.



Next to them will be a **HomeGoods** store, which is planning to open by this spring.

And, in front of the Mt. Shasta Mall on the corner of Dana Drive and Hilltop Drive, the national chain **Chick-fil-A** is constructing a building that will not only house their restaurant (which will open some time later this year), but also provide tenant space in the same building for another restaurant. That tenant is **Tea Bar and Fusion Café**, which started in Chico 11 years ago. They will occupy the north side of the building, and Chick-fil-A will occupy the south side.

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