



The VOICE

Your independent news source

Greater Shasta County, CA

Volume VI, Issue VI

www.shastavoices.com

November 2012

Did you know...

- “A long dispute means that both parties are wrong.” - (Voltaire)
- There have been **91** single family home permits issued in the City of Redding from 1-1-12 through 11-15-12, as well as 6 multi-family permits and 14 new commercial permits, for a total of 111 permits. For all of previous year 2011, there were 34 single family home permits, 4 multi-family permits, and 4 new commercial permits for a total of 41 permits. The increase can be attributed in large part to the City’s Impact Fee Waiver Program.
- The October 2012 unemployment rate in Shasta County was **11.5** percent, down from 11.6 percent in September 2012. The retail sector added about 200 jobs for the holiday season.

Inside this issue:

Giving Thanks	1
General Election Stats	2
Building “Affordable” is Unaffordable	2
The Devil is in the Details	3
Staff Jumps the Gun on Park Impact Fee Discussion	4
Join Shasta VOICES	4

Giving Thanks...

In the spirit of Thanksgiving season, Shasta VOICES would like to take this opportunity to say “thank you” to the people and events that helped us all get through another rough economic year in our community.

Thanks go out to the Redding City Council members and the staff from the City’s development services department for creating, approving, and implementing an **Impact Fee Waiver Program**, which first provided a fee credit of \$12,518 for new single-family dwellings and duplexes, and was expanded (with a lower credit) to include triplexes and fourplexes. The program has been and continues to be highly successful. The original 100 available permits were issued by June 30, 2012, and the additional 100 permits are continuing to be issued. According to City staff analysis, over 750 persons have already been put to work with increased construction activity, generating an additional 400,000 hours of labor, translating into \$8 million of salary paid. Estimated increase in expenditures of labor, materials, commissions, overhead and profit will be \$16 million or more.



Thank you to the seventy-one (71%) percent of voters of Shasta County who said “no” to Measure B in the June 5, 2012 Primary Election. The majority of voters believe that private property rights ought **not** to be taken away from landowners. They further believe that there is an approval process in place that works, as well as a County general plan, to address concerns about how the properties in the Churn Creek Bottom area are developed in the future.

The **South Redding 6-lanes expansion** project is completed and open as of September, 2012. This project was funded primarily with Prop 1b monies, and the construction work was awarded to local contractors, who created many local direct and indirect jobs. Thanks to the efforts of the Shasta Regional Transportation Agency for pushing this project through to completion.

The **Redding Slurry Seal Project 2012** involved sealing 232,000 square yards of existing residential streets and applying about 950 linear feet of traffic stripe within various neighborhoods in east Redding. The project was completed October 8, 2012. The streets included in this project hadn’t seen any maintenance in many years, and those who live in east Redding are very grateful for these long-awaited improvements.

Redding’s **Fire Station No. 2** on Placer Street, which closed in January 2011, was reopened on October 14, 2012. The Redding Professional Firefighters Local 1934 members agreed to pay a portion of their pensions and receive less generous retiree health insurance benefits, saving about \$2.5 million over the next six years, which will be used to keep the station open. They deserve a huge round of applause from all of us!

The 2012 General Election is over! Thankfully, so are all the negative ads associated with it.

Lastly, thank you to all the supporters of Shasta VOICES. We are making a positive difference to the economic opportunity in our community because of you.

General Election Stats from Shasta County



The 2012 Presidential General Election is (thankfully) over, and here are the local race results for Shasta County:

Registered Voters: 100,256 Ballots Cast: 77,178 Voter Turnout: 76.98%

	<u>Name</u>	<u>Percent</u>	<u>Votes</u>
Supervisor 4th District: (Vote for 1)	Bill Shappell*	53.77%	6,862
	Cheri Beck	45.68%	5,829
Anderson Member, City Council (Vote for 3):	Melissa Hunt*	25.85%	1,577
	James Yarbrough*	23.26%	1,419
	Susie Baugh*	22.42%	1,368
	Christine Haggard	14.21%	867
	Sandy Konkol	14.16%	864
Redding Member, City Council (Vote for 2): (Note: a recount is in process due to the narrow margin of victory for Cadd over Dickerson of only 11 votes)	Missy McArthur*	40.89%	21,363
	Gary Cadd*	29.44%	15,382
	Dick Dickerson	29.42%	15,371
Redding City Treasurer (Vote for 1):	Allyn Feci Clark*	99.09%	27,832
Shasta Lake Member, City Council (Vote for 3):	Greg Lewis Watkins*	21.17%	1,566
	Larry J. Farr*	17.98%	1,320
	Lori J. Chapman-Sifers*	16.34%	1,209
	Rosemary Betchart Smith	15.53%	1,149
	Terry Everett Huber	10.54%	780
	Dolores Lucero	9.74%	721
	Etterine Ward	7.11%	526

The winners (*) certainly have their work cut out for them. The recession lives on, and tough decisions need to be made by our elected leaders to make ends meet in their respective jurisdictions. Good luck to all of them!

Building "Affordable" is Unaffordable

In 2006, the Lowe's Home Improvement retail corporation donated \$1 million in funds to the City of Redding in exchange for constructing a new Lowe's on land previously set aside for affordable housing development. The City's Housing Division issued a Request for Proposals on how best to use the Lowe's mitigation fee to support the development of affordable housing.

The Redding Affordable Housing Loan Fund Committee was formed as a way to use the \$1 million as leverage to attract private sector participation, and to establish a locally controlled fund that will benefit many community projects, rather than using it to fund a single project.

Since 2007, a collaborative revolving loan fund has been created and housed at the Shasta Regional Community Foundation. Catholic Healthcare West pledged \$1.5 million to the fund, Premier West Bank, Redding Bank of Commerce, North Valley Bank and Northern California Community Loan Fund each pledged \$1 million. With these partners, the fund has a total of \$6.5 million in funds available for loans.

Short-term loans up to five years for affordable housing are

available for acquisition, predevelopment, site development, unit construction, and rehabilitation. The maximum loan amount is \$1 million. Borrowers must be non-profit 501 (c)(3) agencies, and the projects must be located in Redding.

Ultimate beneficiaries must be low or very low income persons (80% of area median income or below.)

Unfortunately, to date only one loan has been made for the rehabilitation of the Lorenz Hotel in downtown Redding for \$600,000. The loans have not proven to be attractive to affordable housing developers. It is simply unaffordable to build affordable housing units, absent subsidies or grant funding.

The Redding Affordable Housing Loan Fund is hoping that by extending the original sunset date of the fund (November 28, 2012) by 90 days, they will be able to discuss modifications that could enhance prospects of better utilizing the money.

On November 6, 2012, the Redding City Council took action to extend the program through February 28, 2013.

The Devil is in the Details...

The City of Redding has nine different contracts with various labor unions representing its employees, commonly referred to as a Memorandum of Understanding (MOU) with each unit. To say these contracts are not easy to follow is an understatement. One would think clarity of each item addressed in these contracts would be of utmost importance. But, the way these things are written, many items contained in them could be subject to different interpretations. And different interpretations cause disputes...which turn into legal battles.

One such battle has been brewing for over 2.5 years. IBEW Local 1245 has been challenging the City of Redding for implementing the “last, best and final” contract offer ending labor negotiations that had gone on for 21 months prior to March of 2010. In particular, they take issue with the change in the retiree health insurance benefit, saying it is a vested right for their members which cannot be changed:

- The “last, best and final” contract unilaterally cut the retiree health benefit for existing employees as well as new hires. The “old” benefit, per the then existing contract (MOU) language, had the City paying fifty percent (50%) of the group medical insurance program “for each retiree and dependents, if any, presently enrolled and for *each retiree in the future* who goes directly from active status to retirement and continues the group medical insurance without a break in coverage.” The new contract provides a subsidy of 2% per year of service, up to a maximum of 50%. This was what local voters asked for in Measure B, which was passed with a 71% majority of voters.
- The City won round one, with a judgment from the Superior Court of Shasta County dismissing IBEW’s petition, deciding that (1) the right of active employees to receive future medical insurance benefits cannot be vested because it is subject to the collective bargaining process and (2) the memorandum of understanding (MOU contract) between the parties cannot be deemed to provide vested rights because the MOU remains in force only until its expiration.
- IBEW won round two, when they appealed this decision to the California Supreme Court, who filed its opinion on November 2, 2012. This Court reversed and remanded the case for further proceedings, citing a case saying that “under California law, a vested right to health benefits for retired county employees can be implied under certain circumstances from a county ordinance or resolution...the petition alleged that the MOU’s ratified by the city council promised active employees that the City would pay 50 percent of their *future* medical insurance premiums.”

So, it appears that the actual language in the MOU, using the term “each retiree in the future” has become subject to different interpretations. The City contends that it was *not* their intent to provide a lifelong benefit, the right of active employees to receive future medical insurance benefits cannot be vested because it is subject to the collective bargaining process, and the MOU between the parties cannot be deemed to provide vested rights because the MOU remains in force only until its expiration. Typically MOU’s are renegotiated every four years or so, sometimes more often.

The California Supreme Court, by remanding the case for further proceedings, has not determined the actual outcome but simply allowed the IBEW to continue to pursue their petition against the City.

The City’s next move is to petition the California Supreme Court to review the case. This decision was made unanimously by the City Council following a lengthy closed session discussion on November 20, 2012. Outside legal counsel will file the petition before December 12, 2012 on behalf of the City of Redding.

No matter how this is eventually resolved, the City of Redding ought to obtain better legal advice in the future when crafting those MOU’s so that there is no question as to their “intent” in the provision of salaries and benefits. Clearly this would save the taxpayers a good deal of money in future legal bills, not to mention eliminating a good deal of hostility between the City and its employees.

The devil is in the details, and with so much at stake, why not take care to clearly explain each and every one of those pesky details?! It would be a huge benefit to the City, its employees, and the taxpayers.

Staff Jumps the Gun On Park Impact Fees Discussion

As mentioned in our newsletter last month, a local Advisory Group consisting of Gary Blanc (Sierra Pacific Industries), Pat Corey (McHale Signs), Monique Gaido (citizen from Garden Tract area), Michele Goedert (realtor/downtown BID), Chris Haedrich (Haedrich & Co.), Mary Machado (Shasta VOICES), and Frank Sawyer (SDS Engineering) have been meeting with City staff and the consultants since mid-September to listen, learn and provide input to the process of studying current development impact fees and utility rates, and eventually provide recommendations to City Council. These meetings are not public meetings (yet). The current goal is to provide an update on the progress of the study to City Council and the general public at a Council meeting in December, 2012.

At the meeting held on October 10, 2012, two fees were discussed—fire and parks. The appropriate staff members for each of these areas of government attended the meeting and offered information relating to these two fees. The Advisory Group listened to their presentations, asked many pertinent questions, and requested that the consultant come back to a future meeting with some “what if’s” incorporating changes into the methodology and accounting that had been used to come up with some preliminary estimates. Some very good suggestions were made to find a way to adjust methodology to account for changes in local conditions, such as lack of population growth, reduced property values, reduced infrastructure needs, and the need for a balance of what the city wants or needs and what is affordable without stifling growth and an economic recovery. The consultant has not yet completed this work, and it is not scheduled to be brought back for discussion until 2013.

The City’s Director of Community Services, however, took it upon herself to bring a self-created “report” about park fees to the Community Services Advisory Commission (CSAC) at their November 14, 2012 meeting, and asked the commission for approval, as if it were something to be officially brought forward. Members of the commission were rightfully confused as to why this was on the agenda in the first place, and what they were being asked to do. They were equally concerned that in this report, staff is suggesting that the *existing* parks development impact fee, which totals \$3,996 for a typical single family dwelling unit, be raised to \$7,862. Staff is saying that “this increase is due to a higher level of service today compared to 2004 and substantially higher construction cost estimates compared to those used in 2004.” There haven’t even been public meetings yet on the subject...and there will be in 2013.

Now that this premature report is out, the other side of the equation should also be summarized, although it is also, once again, premature to draw any conclusions at this point in the study process.

The original Redding General Plan committee in 2000 recommended a level of service for parks at **5 acres for every 1,000 residents**. Right now, our current level of service is 7.30 acres for every 1,000 residents. It was in the 2004 Parks, Trails and Open Space Master Plan that the level of service for parks was raised to **10 acres for every 1,000 residents**. Times have certainly changed since then... the Parks Master Plan, which was drawn up in 2003, was based on projected population growth of 40 percent over the next 10 years. Well, here we are at that very point in time of 10 years later, and things don’t look anything like the projections of 2003/2004. It’s time to *also* update the Parks Master Plan with current information, and reassess the level of amenities desired based on what is affordable in the new economy. Sometimes you just have to be realistic as to what is affordable...if you cannot afford the Rolls Royce, you may have to settle for a Cadillac. And, you may have to find other funding sources to pay for desired amenities—there is a law referred to as the Mitigation Fee Act (MFA) that limits the amount of impact fees that can be charged to new development to what they call a “fair share” burden, and requires that “fees will be encumbered or expended within a reasonable time frame to ensure that funded improvements are implemented at the lowest possible cost. The reasonable time frame is tied to rate of growth, related increase in service demands, a change in regulatory requirements, or a decrease in adopted level of service standards.” Stay tuned for the *real determinations* on these and other fees sometime in the spring or summer of 2013.

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