



# The VOICE

Your independent news source

Greater Shasta County, CA

Volume VI, Issue X

www.shastavoices.com

March 2013

### Did you know...

- There were 4 new single family dwelling permits issued in the City of Redding during the month of February 2013, compared to 20 issued in February 2012.
- The California State Teachers Retirement System has an unfunded liability of \$73 billion, or only 66 percent of the assets needed to cover promises to current and future retirees, and will run out of money by 2044 unless changes are made. The pension system said in February that it would need teachers, school districts and the state to boost their contributions by 15 percent combined annually to erase the funding gap. Such an increase would generate \$4.5 billion more per year for three decades to erase the gap. That would leave the state spending more on teacher pensions than it does on its two public university systems combined, according to the Legislative Analyst's Office.

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## MFA Lesson Timely as Redding Updates Impact Fee Program

One of the most important methods of funding necessary City and County infrastructure to support *new* development is charging development impact fees. These fees are authorized in California under AB 1600, which became effective in 1989, and which is codified in Government Code Section 66000. Chapters 6, 7, 8 and 9 of this code section are known as the **Mitigation Fee Act (MFA)**.

The fundamental principal of the MFA is that the burden of impact fees cannot total more than the actual cost of the public facility needed to serve the development paying the fee. Fee revenues can only be used for the intended purposes. Impact fees are one-time fees that are usually paid at final inspection of a building permit and/or occupancy of a building (homes or commercial).

To adopt and collect a development impact fee, the City or County must prepare a report or study that establishes a nexus of an impact to new development by identifying:

- The **purpose** of the fee.
  - The **use** of the fee revenues.
  - The **relationship** between **fee use and development**.
  - The relationship between **need** and development.
  - The relationship between **fee amount** and **facility cost**.
- As we have been reporting for the past year, the City of Redding (aided by an advisory group of regular citizens) is in the process of updating their existing (outdated) development impact fee study, which was completed in 2000. Things have changed dramatically since then.

New development cannot be required to pay for existing deficiencies, but can be required to maintain an equal level of service to that currently being provided. Often, the entire community does benefit from improvements made by new development. Only publicly owned capital improvements are eligible for impact fees, **not operations and maintenance**. Fees can be collected for capital infrastructure such as roads, sewer and water lines, parks, fire and police stations, and other improvements. In the case of the City of Redding, an update of which improvements can actually be attributed to new growth and which are existing deficiencies is currently underway.

Development impact fee revenue must be segregated from other city or county funds to avoid co-mingling with other local government funds. Impact fees must be expended or otherwise committed to a specific project within five years of collecting the fee. If funds are not expended or otherwise committed to a specific project within five years of collection, any excess must be refunded.

In a slow-growth community, particularly one with many low and moderate income wage earners, the reality is that development can only absorb so many fees before development doesn't pencil out. We have seen exactly this result in Redding and Shasta County over the past six years, as new development came to a screeching halt. Only when Redding City Council approved a partial impact fee waiver for residential construction that began in October, 2011 and continued through 2012 did we see new development occur once again.

In the next three months, an updated development impact fee study will be completed for the City of Redding. Finding a balance that will enable new growth to occur while funding needed future infrastructure isn't an easy task, but must be done!

## *Shasta County Mid-year Budget Shows Continual Decline in Revenues*

At Shasta County, the purpose of providing a Mid-Year Budget Report is to outline the County's financial outlook by comparing actual financial activities for the first six months of the fiscal year, and projections for the remaining six months.

On February 26, Shasta County Supervisors accepted the report. The County is facing the continuing decline in discretionary revenues necessary to finance operations. Revenue sources are seriously impacted by the softening in the economy. General Fund discretionary revenues have declined from a high of almost \$50 million in fiscal year 2007-2008 to just over \$40 million per year. This is primarily due to declining revenue from property tax, sales tax, and interest earnings.

Locally, property owners are seeking property tax relief due to declining home values. Secured property values continue to decline. Since 2008, the cumulative decline is 12%, from a high of \$16.6 billion to \$14.6 billion.

Although the County's discretionary revenues have taken significant reductions, they have withstood catastrophe by establishing and adhering to budget principles, reducing General Fund expenditures, forgoing salary increases, negotiating reduced employee benefits, and a one-time advance of \$2 million from the General Reserve.

The following chart shows a few select sources of the County's discretionary revenue. The declining revenue trend is compounded by year-over-year losses since 2006-2007. The dissolution of Redevelopment Agencies (RDA) has resulted in lower Secured Property Tax revenue, but the addition of Current Unitary Taxes and RDA Pass-Through Property Tax.

| Revenue                     | 2008-2009  | 2009-2010  | 2010-2011  | 2011-2012  | 2012-2013  |
|-----------------------------|------------|------------|------------|------------|------------|
| Type                        | Actual     | Actual     | Actual     | Actual     | Actual     |
| Secured Property Tax        | 19,442,195 | 21,263,660 | 19,151,921 | 18,698,251 | 14,783,600 |
| Current Unitary Tax         | 0          | 0          | 0          | 0          | 2,216,816  |
| RDA Pass Thru & Residual    | 0          | 0          | 0          | 0          | 3,123,443  |
| Sales & Use Tax             | 2,382,171  | 2,225,663  | 2,514,663  | 2,793,109  | 2,422,643  |
| Documentary Transfer Tax    | 457,312    | 408,144    | 412,796    | 491,851    | 480,000    |
| Transient Occupancy Tax     | 595,023    | 650,574    | 692,080    | 778,477    | 660,000    |
| Property Tax In-Lieu of VLF | 18,471,522 | 18,025,972 | 18,424,067 | 17,643,250 | 18,000,000 |
| Interest                    | 1,140,390  | 517,548    | 343,063    | 341,830    | 300,000    |
|                             |            |            |            |            |            |
| Percentage Change           | -10.7%     | +1.4%      | -3.6%      | -1.9%      | +3.0%      |

## *Affordable Housing Program Moves Forward*

On February 5, 2013, the Redding City Council allowed the expiration of the Redding Affordable Housing Loan Fund (RAHLF) contract with the Shasta Regional Community Foundation, and requested the return of approximately \$1 million to the City of Redding to be used for development of affordable housing.

The \$1 million payment originally came from Lowe's in November of 2007 to mitigate the loss of land zoned for high-density residential housing. Unfortunately, the RAHLF program was not successful, and could not be modified to induce participation of affordable housing developers.

On March 19th, City Council authorized Redding's Successor Housing Agency (SHA) to sell three vacant parcels located at 2968, 2982, and 2996 Leland Avenue to Providence International, a non-profit job development organization, for the de-

velopment of three energy efficient, affordable housing units. Each unit is proposed to be about 1,000 square feet with two bedrooms, two bathrooms, and an attached garage. Preliminary calculations set a maximum sales price for low-income households at \$111,000. In order to make two of the homes affordable to low-income households, Providence is requesting the City to provide additional financial assistance in an amount not to exceed \$50,000 to fund the gap between the total cost of the housing unit and the SHA maximum sales price.

California Redevelopment Law requires Council to approve a resolution authorizing SHA to sell or lease the property. Then, SHA must hold a public hearing prior to the sale. Once a development agreement has been successfully negotiated with Providence International, it will be considered by City Council following the public hearing at a future meeting.

## *Tiger Field Could Hit Home Run For Redding*

Redding's Mayor and life-long resident of Shasta County, Rick Bosetti has a vision for the future of summer collegiate baseball in Redding, centered around fixing up Tiger Field. His love of the game could prove to be a catalyst for the benefit of the entire community, with the ultimate goal of providing the best baseball entertainment in the North State, while providing local organizations opportunities for "baseball night fund raisers." And, he is willing to put in the work necessary to reach that goal, with community support.

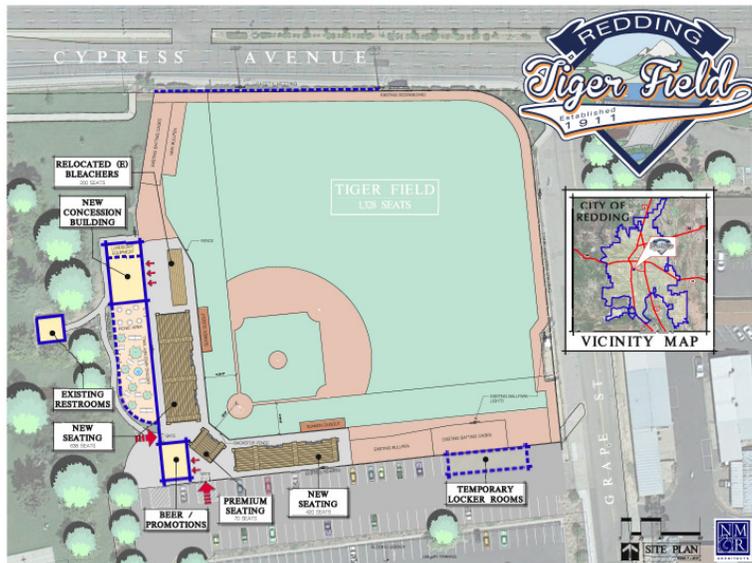
Rick Bosetti is no stranger to baseball. After graduating from Anderson High in 1971 and completing 1 ½ years at Shasta College, he was drafted to play professional baseball for the Philadelphia Phillies in January 1973. Bosetti's baseball career ended in 1983 after having completed portions of seven seasons in the major leagues.

In addition to his current Mayoral duties, Bosetti has been hired to manage the **Redding Colt 45's** summer collegiate baseball program for the 2013 season.

The Colt 45's are part of the Far West League (FWL), and their season begins on May 31, 2013 with their first home game at Redding's Tiger Field. They will play 35 home games this summer including 18 league games. The season concludes at the end of July followed by a league All Star game. The league championship will be played the first week in August in Arcata, California.



First things first – **Tiger Field needs to be fixed up.** Bosetti's request to the Redding City Council at the March 19<sup>th</sup> meeting to send a grant application to the "Baseball Tomorrow" fund was approved unanimously. He will know within 30 to 60 days if the grant will be accepted. It would provide \$250,000 to expand the seating at Tiger Field to over 1,500, add locker rooms, sunken dugouts, a new concession building and make other needed improvements that could eventually draw an even higher level of summer collegiate baseball to Redding, the West Coast League (WCL). He feels confident that the grant will be approved. Here is a preliminary drawing of what the improvements would look like:



Bosetti wants to fix up Tiger Field for the community regardless of whether or not Redding is able to draw a WCL franchise team as well. His vision to have a first class field where you can see quality collegiate baseball players from all over the country play for a mere **\$5 per game for adults, and \$2 for kids** under 12 years old. There will be concessions and promotional items available during the games. There will be baseball camps and clinics offered to school kids. The first such clinic will be June 2<sup>nd</sup> and will be free to all young ballplayers. It is being sponsored by the Colt 45s, Chevrolet and the Major League Baseball Players Alumni Association. There will be former major league players leading the instruction. Company sponsorships will be available, as they are now. He envisions a partnership with the nearby downtown business community, perhaps offering a free shuttle service for overflow parking which would bring people to downtown restaurants and other busi-

nesses before and after games.

Bosetti also envisions a great way to give back to the community by offering baseball night fund raisers for the games for non-profit organizations. "ABC Organization" could choose to have "ABC Corporation Night" during one of the games. A percentage of money collected that night would go to their organization to further their mission. This may provide an easier way to raise funds than having to create some sort of new venue for that purpose.

As a community, we can help make this vision a reality. Spread the word, generate some positive energy, attend the games with your family for a fun and inexpensive outing, provide business sponsorships, create a fund-raiser...together, we can get there. For more information on how you can participate in this vision now, contact Rick Bosetti, [bosetti@charter.net](mailto:bosetti@charter.net) or (530) 227-4443.

## *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.

**Redding Library Ordinance**— After losing a lawsuit that challenged the constitutionality of Redding’s Library regulations relating to distribution of handbills, City Council approved an amended ordinance on March 5th. After striking out 19 lines, the *new* ordinance now simply reads: **2.42.120** Library regulations. **A.** It is unlawful for any person to engage in any of the following activities within or upon the premises of the Redding Municipal Library:  
**5.** Seeking or obtaining signatures on any petition, conducting surveys or investigations, distributing printed materials, or soliciting within the interior of the library or distributing printed materials, leaflets or flyers upon the windshield of any vehicle in the parking lots on the premises.

**Anselmo/Seven Hills Land & Cattle Co. vs. Shasta County**—A federal judge ruled on March 15th that the majority of Shasta County’s complaints against vintner Reverage Anselmo should not be heard in a federal courtroom, moving the complaints back to Shasta County Superior Court. US Federal Judge William B. Shubb wrote in the ruling: “The court is spending an increasing amount of its scarce judicial resources on plaintiffs’ state law claims, even as those claims have an increasingly tenuous relationship with plaintiffs’...claim over which the court is vested original jurisdiction.” Shasta County Superior Court Judge Monica Marlow rejected an earlier motion for the same thing from the County in 2009. The taxpayers of Shasta County are becoming increasingly concerned about how much of their money is being spent by the County on these issues. As we pleaded in our last newsletter, it’s time for the County to settle this mess, and it is up to our Shasta County Supervisors to take a leadership role to get it done.

**Tax-Sharing Agreement**— General tax-sharing discussions between Shasta County and the cities of Redding, Anderson, and Shasta Lake began almost one year ago. Representatives from each of the agencies have met several times, and are continuing discussions, with another meeting scheduled for the end of the month. It doesn’t appear that any progress has been made thus far. The possibility of creating some sort of sales tax sharing agreement limited only to the Oasis Road Specific Plan area is part of these discussions. The Plan area is comprised of 159 parcels; 84 parcels are located within the City of Redding, while 75 parcels are located outside the city limits within the jurisdiction of Shasta County. Some of the major improvements that will be needed in this area include the construction of major water supply/storage improvements, sewer infrastructure, and circulation improvements. With the North Redding Traffic Benefit District already in place to provide some financial assistance, an agreement between these agencies could provide the rest of the pieces to the puzzle, creating the economic stimulus so badly needed in our community. Although this is only part of the general tax-sharing discussion, choosing specific projects and/or areas for some sort of tax-sharing has proven to be successful in many other cities and counties. Stay tuned...we will report any changes or progress!

**Costco at Oasis Road/I-5**—A credit and reimbursement agreement between Costco Wholesale and the City of Redding, having been postponed from possible approval at the December 18, 2012 Council meeting, is definitely moving forward. Details are still to be worked out, but an updated agreement is being negotiated that will allow for the construction of the widening of Oasis Road and realignment of Twin View Boulevard, both conditions for Costco to construct a new 148,000 square foot facility at the northeast corner of I-5 and Oasis Road. Costco will be responsible for initial funding of the project. The estimate for these costs, including project development, right-of-way, and construction is \$4.9 million. Eventually (when approved), two public works bid packages will be advertised: Bid Package 1 will include the realignment of Twin View Boulevard north of Oasis Road. Bid Package 2 will include widening of Oasis Road and realignment of Twin View Boulevard south of Oasis.

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