

Community Development Summary

Kirk Girard, Community Development Services Director

Departmental Summary	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Request	2007-08 Adopted	Increase/ (Decrease)
Revenues						
Attributable to Department	\$6,265,650	\$8,075,450	\$12,124,373	\$16,416,924	\$16,416,924	\$4,292,551
General Fund Support	754,168	844,092	1,475,179	1,550,535	1,404,648	(70,531)
(To)/From Non-GF Fund Balance	42,395	1,800,268	(2,384,887)	0	0	2,384,887
Total Revenues	\$7,062,213	\$10,719,810	\$11,214,665	\$17,967,459	\$17,821,572	\$4,222,021
Expenditures						
Salaries & Benefits	\$2,624,446	\$2,965,290	\$3,471,327	\$4,127,401	\$4,030,614	\$559,287
Supplies & Services	549,158	545,495	646,000	770,511	737,011	91,011
Other Charges	4,351,137	7,713,098	7,696,142	13,869,077	13,869,077	6,172,935
Fixed Assets	11,986	36,793	25,554	20,100	4,500	(21,054)
Expense Transfer	(474,513)	(540,866)	(624,358)	(819,630)	(819,630)	(195,272)
Total Expenditures	\$7,062,213	\$10,719,810	\$11,214,665	\$17,967,459	\$17,821,572	\$6,606,907
Staffing						
Allocated Positions	50.25	57.46	57.00	56.00	55.00	(2.00)
Temporary (FTE)	N/A	N/A	3.00	2.33	2.33	(0.67)
Total Staffing	50.25	57.46	60.00	58.33	57.33	(2.67)

Community Development Summary

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The Community Development Services Department consists of the following budget groups:

Building Inspection Division

- 1100 262 Building Inspections

Economic Development Division

- 1120 275 Economic Development

Headwaters Fund

- 1120 286 Headwaters

Natural Resources Division

- 1100 289 Natural Resources

Planning Division

- 1100 277 Planning

Workforce Investment Division

- 1120 287 Workforce Investment

In addition, the following budget units which are no longer in use are included in the summary table for past years:

- 1100 284 Local Agency Formation Commission, through FY 2006-07
- 1120 288 Redevelopment Agency, through FY 2006-07

Performance Measures

1. <i>Description of Performance Measure:</i>		Issued Building Permits	
<i>FY 2004-05 Actual</i>	<i>FY 2005-06 Actual</i>	<i>FY 2006-07 Estimate</i>	<i>FY 2007-08 Projected</i>
4,210	3,798	3,657	3,727
<i>Describe why this measure is important and/or what it tells us about the performance of this department:</i> Data is used in estimating monthly revenues & budget calculations. Data is shared with Economic Development and accessed in acquiring available grants.			

Community Development Summary

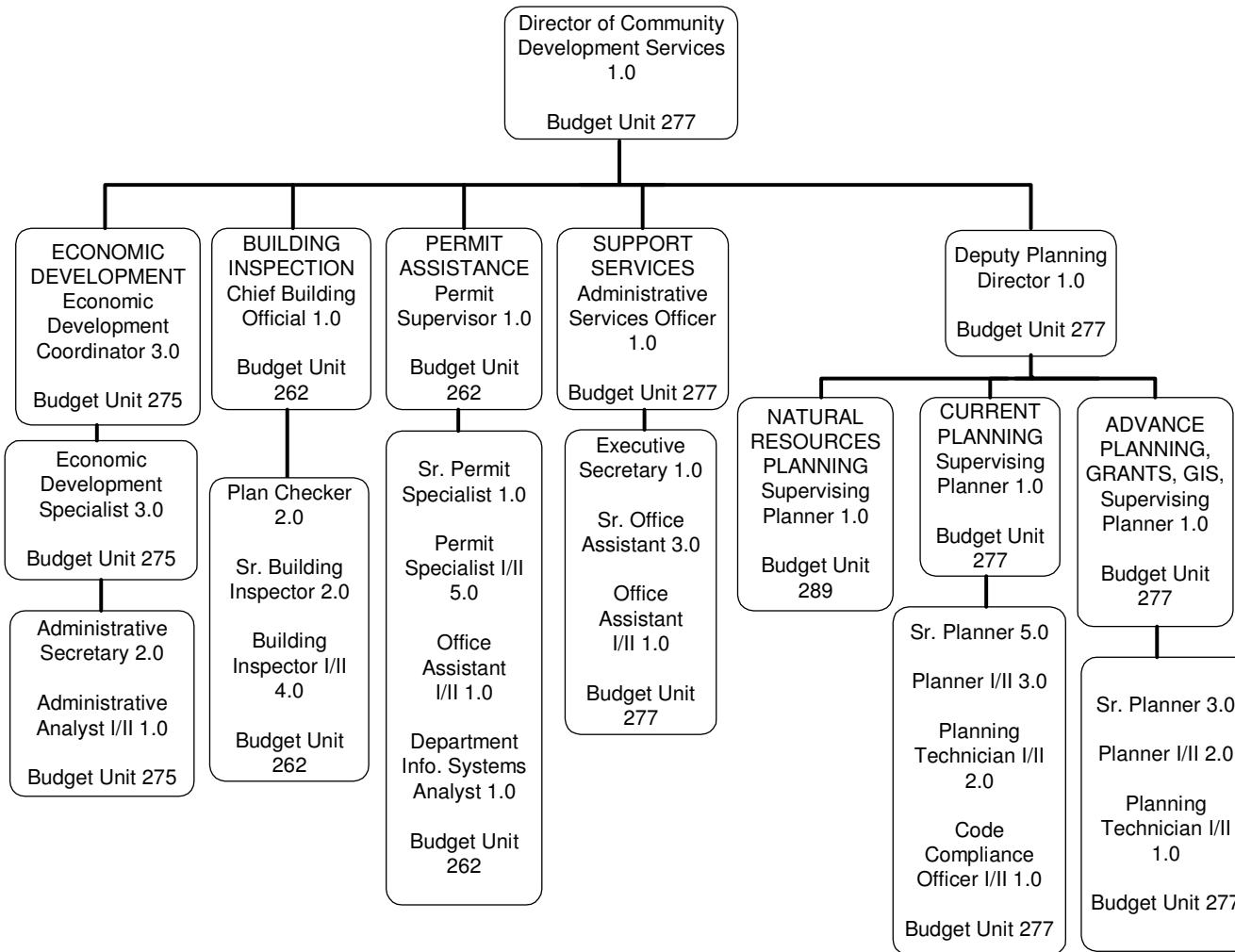
Kirk Girard, Community Development Services Director

2. <i>Description of Performance Measure:</i> Pre-Site Inspections					
<i>FY 2004-05 Actual</i>		<i>FY 2005-06 Actual</i>		<i>FY 2006-07 Estimate</i>	
772		712		662	
<i>Describe why this measure is important and/or what it tells us about the performance of this department:</i> Data is used in maintaining appropriate staffing levels, projected workloads and budget calculations.					
3. <i>Description of Performance Measure:</i> Completed Plan Checks					
<i>FY 2004-05 Actual</i>		<i>FY 2005-06 Actual</i>		<i>FY 2006-07 Estimate</i>	
1,552		1,279		1,236	
<i>Describe why this measure is important and/or what it tells us about the performance of this department:</i> Data is used in maintaining appropriate staffing levels.					
4. <i>Description of Performance Measure:</i> Number of Planning Projects Reviewed					
<i>CY 2002 Actual</i>	<i>CY 2003 Actual</i>	<i>CY 2004 Actual</i>	<i>CY 2005 Actual</i>	<i>CY 2006 Projected</i>	<i>CY 2007 Projected</i>
208	275	299	219	272	240
<i>Describe why this measure is important and/or what it tells us about the performance of this department:</i> This is the primary workload measurement for the Planning Division. It is an indicator not only of the workload facing the department, but of the level of construction and development activity in the County.					

**Building Inspection Division
Workload Data**

	2004	Actual 2005	2006	Estimated 2007	2008
<u>Building Permits Issued</u>					
New Single-Family Residences	310	307	248	212	269
Single Family Additions/Alterations	541	539	580	492	538
Multi-Family Residences (total units)	37	4	60	40	35
Mobile Residences	58	40	36	24	40
<i>Total Permits Issued:</i>	946	890	924	768	882
<u>Value of Building Permits Issued</u>					
New Single-Family Residences	\$26,521,448	\$26,246,206	\$20,019,072	\$16,338,247	\$22,281,243
Single Family Additions/Alterations	\$7,892,789	8,371,202	\$7,635,905	\$8,094,305	\$7,998,550
Multi-Family Residences	\$1,581,049	318,451	\$3,464,754	\$2,253,880	\$1,904,554
Mobile Residences	\$669,405	491,737	\$429,962	\$300,452	\$472,889
	\$36,664,691	\$35,427,596	\$31,549,693	\$26,986,884	\$32,657,236

Organizational Chart:



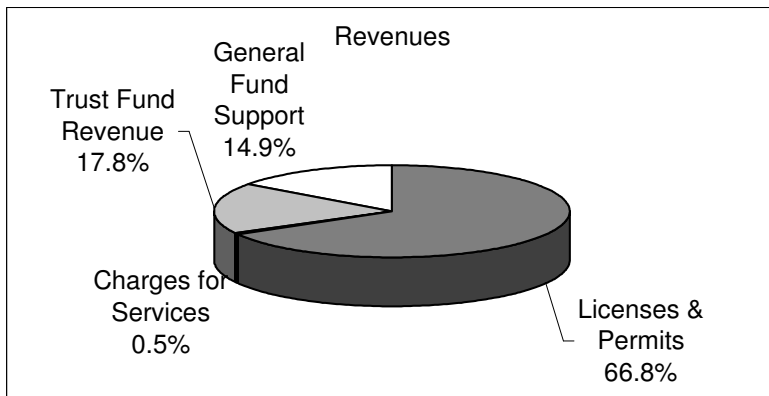
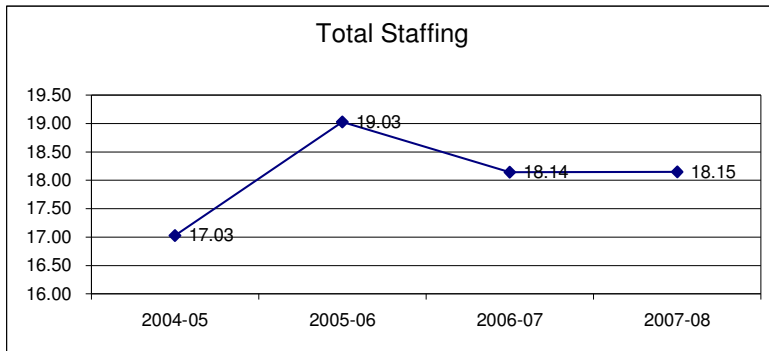
1100 - General Fund	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Request	2007-08 Adopted	Increase/ (Decrease)
Revenues						
Licenses & Permits	\$947,998	\$993,353	\$1,121,075	\$1,099,212	\$1,099,212	(\$21,863)
Charges for Services	10,716	9,664	8,862	8,000	8,000	(862)
Trust Fund Revenues	53	233	87	293,426	293,426	293,339
General Fund Support	169,041	176,037	194,497	245,672	245,672	51,175
Total Revenues	\$1,127,807	\$1,179,288	\$1,324,522	\$1,646,310	\$1,646,310	\$321,788
Expenditures						
Salaries & Benefits	\$896,157	\$947,790	\$1,088,670	\$1,324,699	\$1,324,699	\$236,029
Supplies & Services	128,123	137,337	151,917	179,593	179,593	27,676
Other Charges	111,884	112,169	118,186	212,318	212,318	94,132
Fixed Assets	7,814	8,782	4,491	4,500	4,500	9
Expense Transfer	(16,171)	(26,791)	(38,742)	(74,800)	(74,800)	(36,058)
Total Expenditures	\$1,127,807	\$1,179,288	\$1,324,522	\$1,646,310	\$1,646,310	\$321,788
Staffing						
Allocated Positions	16.00	18.00	19.00	18.00	18.00	(1.00)
Temporary (FTE)	1.03	1.03	0.14	0.15	0.15	0.01
Total Staffing	17.03	19.03	19.14	18.15	18.15	(0.99)

Building Inspection (1100 262)

Kirk Girard, Community Development Services Director

Purpose

The authority requiring the County to provide a permitting and building inspection program is the Health and Safety Code, the Business and Professions Code and the California Administrative Code.



Major Budget Changes

Salaries & Employee Benefits

- \$146,820 General salary and benefits adjustments.
- (\$20,881) Loss of a Data Entry Operator.

Services & Supplies

- \$18,637 Increase in insurance costs.
- \$18,000 Increase in transportation and travel costs due to increased gasoline prices. Purchase of replacement vehicles.
- (\$14,250) Decrease in professional and specialized services due to greater utilization of in-house staff for plan-checking.

Other Charges

- \$52,024 Increase in administrative charges from the Planning Division.
- \$46,318 Increase in charges from the Economic Development Division to pay for one-half of the Development Assistance Director position.

Building Inspection (1100 262)

Kirk Girard, Community Development Services Director

Fixed Assets

- \$3,000 Replacement laser printer for building permits
- \$1,500 New computer for self-help customer counter

Cost Reimbursements

- \$36,058 Increase in reimbursements for Building Inspection staff working at Planning Counter and shared Technology Information staff.

Revenues

- (\$50,000) Decrease in construction permit fee revenue due decline in construction activity.
- \$250,364 Increase in draw from Building Inspection Trust Fund.

Program Discussion

The adopted FY 2007-08 budget totals \$1,646,310. General Fund revenues comprise \$245,672, or 15.0%, of that amount.

The workload of the Building Inspections Division can be divided into four primary categories: Inspection and

Violations, Permit Processing, Plan Checking, and Public Information.

Inspection & Violations

A major function of the Building Inspection Division is field inspections, and the continued efforts of each inspector to work with people to resolve violations. The inspectors inspect all facets of new construction, additions, and remodels from the beginning to the end of the project. They interpret and enforce the Model Codes, State Energy Standards, and local ordinances.

Building Inspectors also perform Planning investigations, check building plans, perform health and safety inspections, check structures for conformance with their business licenses, and investigate alleged violations, as well as provide information in the field to owners, contractors and other professionals.

Permit Processing

Permit Specialists process building permit applications, interpret zoning regulations, and verify completeness of applications. The Permit Specialists determine and apply appropriate regulations for each proposed project from a variety of planning and building regulations, codes, and ordinances. These staff members are responsible in meeting with both the permit applicants and the general public to advise them of what will be required, review their applications, obtain the required approvals, calculate permit fees, and determine

Building Inspection (1100 262)

Kirk Girard, Community Development Services Director

fees applicable for other departments. They issue the permits and maintain the required records.

The Building Inspection Division processes permits and approvals and collects fees for the following departments: Environmental Health, the Real Property Division of the Public Works Department, and the Planning Division. In addition, Building Inspection collects development impact fees and special drainage fees administered by the Public Works Department, and also collect developer fees for McKinleyville Union School District, Hydesville Elementary School District, Pacific Union School District, Fortuna Union Elementary, Rohnerville School District, and Ferndale Unified School District.

Plan Checking

The Plan Checker verifies the applicant meets the requirements for each type of plan check and that the plans meet all related codes and ordinances. The Plan Checker notes and/or discusses all required corrections with owners/applicants, engineers and contractors.

Many plan check options are available to the applicant in this process (Regular Check, Fast Check, Modified Two-Story and Conformance). For example, *Regular* plan checks are available for any structures or additions built by the owner or a licensed contractor that do not qualify for other types of plan checks (i.e., residences built by property owner and plans with complex engineering). *Fast Check* plan checks are available for one-story conventionally framed single family residences built by a licensed contractor. *Modified Two-Story* plan checks are

available for two-story conventionally framed single family residences built by a licensed contractor. *Conformance* plan reviews are available for detached accessory structures, residential remodels, decks, porches, and patios. This type of review is limited as to size and value of the structure.

Commercial, industrial and some complex construction plans are sent out to one of several private-sector firms for review.

Public Information

Public Information is provided by all staff members, covering a wide variety of information for multiple departments. A key source in providing accurate and current information is the Division's multi-department suspense system and referral process. The suspense system provides opportunity for outside departments (Environmental Health, Public Works, Planning Division, Fire and Water Districts) to put on record in one central location any pertinent information regarding specific assessor's parcels. The availability of this centralized information allows the Permit Specialist to make the permit applicant aware, at the very beginning of the permit process, of any special requirements, problems or issues noted from any of the above departments or agencies. Public information is provided through several sources; e-mail, office contact, telephone service, written correspondence, and in the field.

Building Inspection (1100 262)

Kirk Girard, Community Development Services Director

Permit Reform Efforts

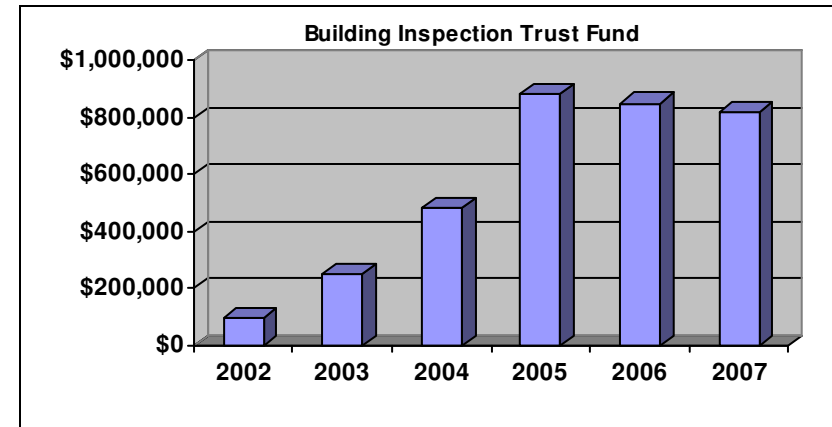
Under the guidance of the Board-appointed Permit Reform Committee, the Building Division of Community Development Services has implemented the following customer service recommendations:

- A 24-hour callback policy
- Complaint-handling system that records, tracks, and resolves complaints made in relation to procedural aspects and/or staff processing errors.
- Allocated an additional Plan Checker I/II position, which will shorten the processing time on in-house plan checks.
- Developed a front counter “express lane”. Equipment has been purchased to install an additional workstation, which will provide expedited service to customers with business that can be handled within several minutes.

Building Inspection Trust Fund

In years of high building activity, any revenue from building permits that is not fully expended for the building permit program is held in the Building Inspection Trust Fund #3564 to be used to fund the program in years when building activity is low. A long-term agreement with the builders’ association is that Building Inspection fees will not constitute more than 85% of the Building Inspections budget. Including a transfer of Trust Fund revenues of \$293,426 to balance the budget, Building Inspection Fees constitute 66.75% of the FY 2007-08 budget. The Trust Fund’s balance has grown from \$126,810 in

June 2002 to a high of \$900,285 in June 2005, with a decrease to an actual \$820,070 as of June 2007.



Decline in Construction and Housing Starts

The instability in housing starts has resulted in a decline of issued building permits and a decrease in revenue for the Building Inspections Division. For example, the number of building permits issued for single-family additions and alterations has declined from its peak of 580 in calendar year 2006 to an estimated 492 permits in 2007. This pattern has been experienced statewide for both new residential construction and residential remodel projects. This is generally attributed to the sluggish housing market, rising inventories of unsold homes, and growing construction costs.

2006-07 Accomplishments

1. Completed the conversion of upstairs storage to office space accommodating the growth of the Division.
2. Completed the re-design of the Permit Specialist work area to create both a practical and accessible work environment.
3. Reviewed staffing levels and increased plan checking services to better support the needs of the community.
4. Reviewed several software options to upgrade the current Building Division automation system along with integrating other divisions and departments.

2007-08 Objectives

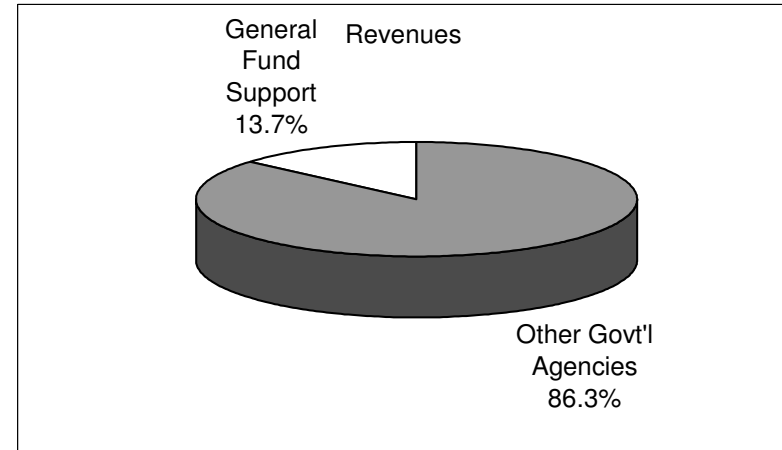
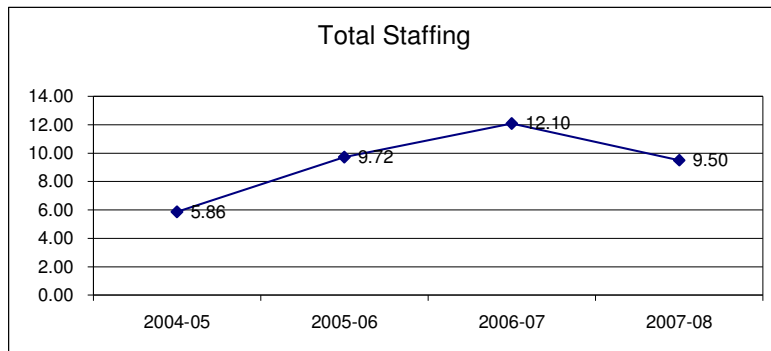
1. To provide superior personal customer service.
2. To complete the re-organization within the Department and Division as discussed and approved by the Board.
3. To upgrade and/or replace the permit processing software which now includes the following Divisions: Building, Planning, Environmental Health and Real Property.
4. To complete the process of converting stored documents to digital imaging, to be accomplished with the purchase of the new software program.
5. To create a customer service work area in the Building Division's lobby.

1120 - Economic Development Fund	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Request	2007-08 Adopted	Increase/ (Decrease)
Revenues						
Other Gov't Agencies	\$2,200,063	\$3,178,017	\$6,295,132	\$3,151,143	\$3,151,143	(\$3,143,989)
Other Revenues	0	70,770	10,080	0	0	(10,080)
(To)/From Non-GF Fund Balance	(91,394)	1,467,006	(2,078,394)	0	0	2,078,394
Total Revenues	\$2,108,669	\$4,715,792	\$4,226,818	\$3,151,143	\$3,151,143	(\$1,075,675)
Expenditures						
Salaries & Benefits	\$355,211	\$487,275	\$518,441	\$695,507	\$695,507	\$177,066
Supplies & Services	87,999	99,732	75,878	87,473	87,473	11,595
Other Charges	1,984,811	4,491,177	4,015,677	2,858,399	2,858,399	(1,157,278)
Fixed Assets	4,172	3,027	1,465	0	0	(1,465)
Expense Transfer	(323,524)	(365,419)	(384,643)	(490,236)	(490,236)	(105,593)
Total Expenditures	\$2,108,669	\$4,715,792	\$4,226,818	\$3,151,143	\$3,151,143	(\$1,075,675)
Staffing						
Allocated Positions	4.00	6.00	9.00	9.00	9.00	0.00
Temporary (FTE)	1.86	3.72	3.10	0.50	0.50	(2.60)
Total Staffing	5.86	9.72	12.10	9.50	9.50	(2.60)

Purpose

The Economic Development Division works to strengthen the economy of Humboldt County. It secures and distributes funding for projects and programs that implement the County’s comprehensive economic development strategy, *Prosperity!* It provides high quality data and analysis about the economy to support resource allocation, policy development and public investment. It promotes private-sector investments by helping businesses overcome constraints and access resources. It stimulates clean up and recycling of land, and helps to build community infrastructure that lays the foundation for business start up and expansion, affordable housing and the elimination of depressed living conditions.

In addition, the Economic Development Division manages two separate budget units: the Headwaters Fund (#286), and the Workforce Investment Act Fund (#287).



Major Budget Changes

Salaries & Employee Benefits

- \$170,672 General salary and benefits adjustments.
- (\$82,590) Decrease in extra help expenses.

Other Charges

- (\$1,500,000) Decrease in expenses related to Willow Creek housing HOME program grant.
- (\$890,000) Decrease in expenses related to Redway HOME program grant and 2005 Community Development Services Block Grant grant.

Economic Development (1120 275)

Kirk Girard, Community Development Services Director

- \$600,000 Increase in Brownfield Revolving Loan Account grant activities.
- \$275,000 Increase for new Economic Development Micro-Enterprise Block Grant activities.
- (\$250,000) Decrease in expenses related to 2003 and 2004 HOME Housing Rehabilitation grants.
- (\$225,000) Decrease in expenses related to 2003 Community Development Micro-Enterprise Block Grant.
- (\$217,000) Decrease in expenses related to Hazardous Substances and Petroleum brownfields assessment grants.
- \$125,000 Increase for new Economic Development Administration (EDA) grant activities to facilitate the growth of emerging industry clusters in the Redwood Coast region.

Expense Transfers

- \$130,720 Net increase in cost reimbursements from other divisions of the Community Development Services Department.

Revenues

- (\$1,525,000) Nearly-completed Willow Creek/ Orick HOME grant.
- (\$500,000) End of Redway HOME Program grant.
- (\$432,000) Nearly-completed Redway Multiple Assistance Center grant.
- \$331,710 Additional Brownsfield Assessment grant funding.
- \$300,000 New Economic Development Micro-Enterprise Block Grant to assist low-income entrepreneurs who are starting or expanding a business with five or fewer employees.
- (\$250,000) End of 2003 Community Development Micro-Enterprise Block Grant.
- \$220,000 New Planning and Technical Assistance Allocation Community Development Block Grants for broadband service in Orick, Loleta water supply, Lucas Street study, Trinity/Humboldt broadband redundancy line, and affordable housing trust fund study.
- \$150,000 New EDA grant.

Economic Development (1120 275)

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- (\$105,000) End of 2003 HOME Housing Rehabilitation grant.

Program Discussion

The Economic Development Division manages five policy and program areas that invest in the Humboldt County economy:

- *Prosperity! The North Coast Strategy* for economic development
- Affordable housing
- Brownfields assessment and cleanup
- Coordination of Workforce Investment and the Headwaters Fund.

These policy and program areas are primarily funded with state and federal grants that support specific programs and projects. The Division secures the funding, and contracts with many community agencies and consultants for project and program delivery throughout the County.

The Division also oversees several loan programs:

- Brownfields clean up
- First time home buyer down payment assistance
- Owner-occupied housing rehabilitation
- Multi-family and senior housing development
- Business start up and expansion

Programs expand and change year to year, as grant funding and revolving loan funds allow. The Division works with service districts, cities, and non-profits to secure gap funding for infrastructure projects.

As stated earlier, the Economic Development Division manages the Economic Development general budget (#275), the Headwaters Fund (#286), and the Workforce Investment Board (#287). These three budget units work in one location, and therefore share overhead costs. The budgets reflect the allocation of these costs, as well as the disbursement of the staff salaries.

The majority of Economic Development's activities are funded through state and federal grant sources. However, some administrative and management labor, service and supply costs cannot be charged to external grants. Non-recoverable costs can include grant acquisition, coordination with cities and economic development organizations, business information and assistance, program management, unanticipated special projects and implementation of County sponsored programs. The costs that are not recoverable under any of the granting sources are charged to the Economic Development Set Aside.

The overarching goals of the Economic Development Division remain the same as in prior years:

- Economic development, infrastructure and workforce housing planning.
- Promoting the growth of export and emerging industry clusters and strengthening the County workforce to meet industry needs.
- Building local capacity for coordinated economic development initiatives.

Economic Development (1120 275)

Kirk Girard, Community Development Services Director

- Obtaining grants and leveraging economic development funds.
- Assisting rural communities and economically depressed areas in planning, developing, and redeveloping their communities.

There will be three key foci in Economic Development in FY 2007-08: (1) working regionally with emerging industry clusters, (2) affordable housing, and (3) infrastructure planning.

The *Targets of Opportunity* report, produced by the Humboldt County Workforce Investment Board, identifies six fast-growth emerging industries in the regional economy of Humboldt, Del Norte, Mendocino, Siskiyou and Trinity counties. These are:

- Specialty food, flowers, and beverages
- Niche manufacturing
- Diversified health care
- Management and innovation services
- Building and systems construction and maintenance
- Investment support services.

The Division will coordinate with regional partners and workforce investment boards to disseminate the findings of this report, to further characterize the emerging clusters, and to develop initiatives that address the industry growth needs, particularly the demand for workforce.

Housing costs have leveled off but the County still has a lack of affordable housing. Only 13% of median-income workers in Humboldt County can afford to purchase a home. Typically, a family should not pay more than 30% of their income on

housing. Based on a 2003 survey, 50.6% of renter families in Humboldt County are paying more than 30% of their income on rent. According to the 2000 census, Humboldt County has the highest percent of families paying over 30% of their income for rent compared to all other counties in the State of California. This constrains the County's businesses in attracting and retaining a qualified workforce. The Economic Development Division will work closely with the County's Planning Division to evaluate regulatory initiatives that could encourage private sector investment in affordable housing.

Deterioration and a lack of rural infrastructure have been identified as a core constraint to future economic and housing development within the County. The Economic Development Division will continue to work closely with the County's Planning Division and other jurisdictions to identify rural infrastructure needs and secure funding to address the needs.

2006-07 Accomplishments

1. Secured \$1.6 million in grant funding to assist businesses and people through economic development and affordable housing programs.
2. Completed the following housing and community development projects:
 - A 20-unit rental project in Redway
 - Two Habitat for Humanity Homes
 - Provided aid to ten low-income families for home rehabilitations
 - Acquired a new truck for the Food Bank

- Assisted the Multiple Assistance Center with operating expenses
 - Produced the Supportive Housing Study
 - Provided Phase I Environmental Site Assessments (ESA) to 21 properties, and seven properties received Phase II ESA's and site remediation planning
3. Completed the following business and industry cluster development projects:
 - Initiated the series and produced four business leader luncheons
 - Specialty Agriculture industry cluster work plan
 - Labor market analysis and emerging industry report, *Targets of Opportunity*
 - Market analysis for value-added meat producers (grass-fed and organic)
 - Business case for redundant fiber-optic line east to I-5 corridor
 - Produced and published State of the Industry Reports for the nine base industry clusters
 - Assisted with funding for 66 low-income micro-entrepreneurs to start or expand businesses.
 4. Managed the Headwaters Fund and stimulated industry cluster growth through seven grants, over \$800,000 in business and community investment loans and other Headwaters Fund projects.
 5. Managed the Workforce Investment Board and assisted in completing several workforce development projects.

2007-08 Objectives

1. To secure \$5.0 million in grants to assist businesses and people through economic development and affordable housing programs.
2. To work regionally to build a network of emerging industry leaders and set of initiatives for high value economic and workforce development investments.
3. To complete a 24-unit multi-family low-income housing development in Willow Creek; complete seven first-time homebuyer self-help Habitat for Humanity Homes; and assist seven low-income families with rehabilitation and/or home acquisition.
4. To acquire an accessible door opener for an adult day health facility in Redway; and assist in the rehabilitation of a drop-in facility for at-risk teenagers.
5. To make at least one loan from the Brownfield Cleanup Revolving Loan Fund to assist in the redevelopment of a Brownfield site.
6. To assist with funding for 60 low-income micro-entrepreneurs to start or expand businesses.
7. To complete studies for Loleta Water Supply and Orick Broadband.

Headwaters Fund (1120 286)

Kirk Girard, Community Development Services Director

1120 - Economic Development Fund	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Request	2007-08 Adopted	Increase/ (Decrease)
Revenues						
Other Revenues	\$221,129	\$341,819	\$310,955	\$142,820	\$142,820	(\$168,135)
(To)/From Non-GF Fund Balance	5,500	74,571	(74,571)	0	0	74,571
Total Revenues	\$226,629	\$416,390	\$236,384	\$142,820	\$142,820	(\$93,564)
Expenditures						
Supplies & Services	\$1,964	\$5,341	\$1,332	\$38,253	\$38,253	\$36,921
Other Charges	224,666	411,049	235,052	104,567	104,567	(130,485)
Total Expenditures	\$226,629	\$416,390	\$236,384	\$142,820	\$142,820	(\$93,564)

Purpose

The Headwaters Fund Unit implements the programs and projects of the Headwaters Fund. The Headwaters Fund is overseen by the Headwaters Fund Board and, ultimately, the Board of Supervisors.

Major Budget Changes

Other Charges

- (\$250,000) Decrease in Grant Fund Disbursements due to a funds management and accounting change.
- (\$26,433) Decrease in charges from Planning and Economic Divisions due to less staff time spent on Headwaters Fund management.

Headwaters Fund (1120 286)

Kirk Girard, Community Development Services Director

Revenues

- (\$227,858) Decrease in budgeted Liquidity Fund income due to a funds management and accounting change.
- (\$45,542) Decrease in draws from the Revolving Loan Fund and Community Investment Fund due to reduced staffing.

Program Discussion

In 1999, the state and federal governments purchased the 3,000-acre old-growth Headwaters Grove. While this landmark acquisition preserved internationally significant forest habitat, it also removed significant timber resources from Humboldt County's economy.

Local officials and community leaders argued that the Headwaters acquisition should include an appropriation to offset local economic losses. A local effort resulted in a combined \$22 million state and federal appropriation to the County of Humboldt.

On October 19, 1999, the Board of Supervisors voted to reserve the bulk of the funds for the "economic prosperity and quality of life for all Humboldt County residents". In December 2002, the Board adopted a final *Headwaters Fund Charter* that outlines the purpose and structure of the Fund.

The mission of the Headwaters Fund is to use the values, principles, and strategies of the County's Comprehensive Economic Development Strategy, currently known as *Prosperity! The North Coast Strategy*, to:

- Support the growth of specified industry clusters and increase the number of sustainable jobs that pay near or above the median income.
- Enhance the County's quality of life through social and environmental projects that promote healthy communities and which protect and enhance the natural environment.

The Economic Development/Headwaters Fund Division of the Community Development Department is responsible for implementation and monitoring of Headwaters Fund programs. The Division facilitates the strategic funding of projects and organizations that foster community economic development within Humboldt County. The Division supports the Headwaters Fund Board, a community board that, along with the Board of Supervisors, oversees the programs and policies of the Headwaters Fund. The Division is funded through income from the Headwaters Trust Fund(s).

To advance economic and community development in Humboldt County, the Headwaters Fund offers business loans, loans/grants for infrastructure projects, and economic development grants via the following three programs:

The **Revolving Loan Fund** makes loans to businesses and non-profit organizations in Humboldt County. These loans fill gaps in the market for available financing, while maintaining

Headwaters Fund (1120 286)

Kirk Girard, Community Development Services Director

sound banking practices. Eligible loans must demonstrate a minimum job creation/retention or economic development potential. Loan applicants apply directly to contracted financial institutions, not the Headwaters Fund itself.

The **Community Investment Fund** (CIF) is a loan and grant program for infrastructure and related projects that will result in permanent and tangible economic benefits to the community. Infrastructure projects include air and sea ports, roads, water, wastewater, and economic development infrastructure. Fishing Cluster projects funded in FY 2006-07 included planning for the Trinidad Pier Reconstruction, the Eureka Fisherman's Terminal construction, an eelgrass fish communities characterization study, and operating support for the Mad River Fish Hatchery.

The **Grant Fund** provides grants for projects benefiting base industries in Humboldt County. Non-profit organizations and government jurisdictions in Humboldt County are eligible to apply.

In the past, Grant Fund disbursements were paid through this budget unit. Headwaters Grant Fund revenue (also known as Liquidity Fund revenue) would be transferred from the Grant Fund to the Grant Fund Disbursements account to reimburse the expense. Beginning in FY 2007-08, Grant Fund disbursements will be paid directly out of the Grant Fund instead of through this budget unit.

Refining the Focus of the Headwaters Fund

When the Headwaters Fund was first put into place, the Headwaters Fund board and the Board of Supervisors committee members requested to revisit all Headwaters Fund activities after three years of implementation. A planning process to review and – if necessary – refine the focus of the Headwaters Fund was launched in FY 2006-07. During FY 2007-08, staff plans to complete the review process and make its recommendations to the Headwaters Fund board and the Board of Supervisors.

2006-07 Accomplishments

1. Identified opportunities, and committed \$184,267 of the Grant Fund to help facilitate community projects administered by non-profit organizations and government jurisdictions in Humboldt.
 - Passenger Demand Analysis for the Arcata-Eureka Airport (\$37,500)
 - Brand imaging and positioning for the North Coast (\$44,000)
 - Streamlining County Building Permitting (\$20,000)
 - Sustainable Living Lodge and Eco-Hostel environmental review and design phases (\$40,000)
 - Regional Produce Market Distribution program (\$17,317)
 - Artisan Wine Marketing and Guild Development (\$12,950)

Headwaters Fund (1120 286)

Kirk Girard, Community Development Services Director

- Garberville Town Square planning (\$12,500)
- 2. Granted \$251,129 of the Community Investment Funds for infrastructure (\$200,000) and Fishing Cluster (\$51,129) projects.
- 3. A Community Investment Fund loan to the Willow Creek Community Services District (WCCSD) for \$350,000 allowed the WCCSD to leverage significant state funds and to update its water uptake system. The new water filtration system will improve the safety and health of Willow Creek residents.
- 4. In partnership with the Rural Community Assistance Corporation, continued management and oversight of a \$3.6 million loan to help finance a new water system for the City of Rio Dell; this joint Headwaters/Rural Community Assistance Corporation loan will help fund a new transmission and supply system that will improve water quality and pressure while reducing costs and shortages

- 5. Worked with Redwood Regional Economic Development Corporation (RREDC) and Arcata Economic Development Corporation (AEDC) to provide \$214,000 in loan funding for local businesses.
- 6. Launched a planning process to refine the focus of the Headwaters Fund.

2007-08 Objectives

- 1. To work with RREDC and AEDC to provide \$500,000 in loan funding for local businesses.
- 2. To complete the current planning process and make Grant Fund awards of at least \$250,000 to priority projects.
- 3. To continue to identify lending and granting opportunities within the CIF, making at least one new loan.

1100 - General Fund	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Request	2007-08 Adopted	Increase/ (Decrease)
Revenues						
Charges for Services	\$18,516	\$23,922	\$29,384	\$0	\$0	(\$29,384)
General Fund Support	8,483	5,767	12,130	0	0	(12,130)
Total Revenues	\$26,999	\$29,689	\$41,514	\$0	\$0	(\$41,514)
Expenditures						
Supplies & Services	\$2,065	\$2,245	\$16,909	\$0	\$0	(\$16,909)
Other Charges	24,934	27,443	24,605	0	0	(24,605)
Total Expenditures	\$26,999	\$29,689	\$41,514	\$0	\$0	(\$41,514)

Purpose

The Humboldt County Local Agency Formation Commission (LAFCo) is a State mandated agency (Government Code § 56325) whose purpose (Government Code § 56001) is to discourage urban sprawl and to encourage the orderly formation and development of local governmental agencies based upon local conditions and circumstances. LAFCo's membership is comprised of two County supervisors, two City Council members, two elected representatives of special districts, and one public member. Commission

membership also includes an alternate for each category of voting members.

Program Discussion

LAFCo reviews and approves or disapproves all proposals for changes in the boundaries of cities and special districts in the County. Such changes include annexations, detachments, city

Local Agency Formation Commission (1100 284) Kirk Girard, Community Development Services Director

incorporations, district formations, or dissolution of a city or district.

LAFCo is also required to determine and adopt the “Sphere of Influence” of each local governmental agency in the County. The sphere of influence is defined as a plan for the probable ultimate physical boundary and service area of the affected agency. This planning tool is used by the Commission, the affected agency, County departments state and federal agencies, and concerned citizens to determine when and where various services will be available. California Government Code (GC) § 56425f mandates that spheres of influence for all local agencies in Humboldt County be updated “as necessary, not less than once every 5 years.”

Historically, staff support for LAFCo has been provided by Community Development’s Planning Division. Development activity is expected to increase markedly in the County in upcoming years. In November 2006, to avoid the perception of conflicts of interest, the Board notified LAFCo that it would no longer be providing County staffing after the end of FY 2006-07. Pursuant to GC § 56381(b), the County must provide one-third of LAFCo’s annual operating budget. For FY 2007-08, LAFCo’s proposed budget is \$108,756, so the County’s contribution would be \$36,252. Because LAFCo’s budget will no longer be a County budget, this budget unit will be eliminated beginning in FY 2007-08 and the County’s annual contribution will now be shown in the County’s General Fund Contributions to Other Funds budget #199.

Natural Resources Division (1100 289)

Kirk Girard, Community Development Services Director

1100 - General Fund	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Request	2007-08 Adopted	Increase/ (Decrease)
Revenues						
Other Gov't Agencies	\$0	\$0	\$36,293	\$7,875,939	\$7,875,939	\$7,839,646
General Fund Support	0	0	102,178	0	0	(102,178)
Total Revenues	\$0	\$0	\$138,472	\$7,875,939	\$7,875,939	\$7,737,467
Expenditures						
Salaries & Benefits	\$0	\$0	\$0	\$79,576	\$79,576	\$79,576
Supplies & Services	0	0	72,013	34,000	34,000	(38,013)
Other Charges	0	0	66,459	7,762,363	7,762,363	7,695,904
Total Expenditures	\$0	\$0	\$138,472	\$7,875,939	\$7,875,939	\$7,737,467
<hr/>						
Allocated Positions	0.00	0.00	0.00	1.00	1.00	1.00
Temporary (FTE)	0.00	0.00	0.00	0.00	0.00	0.00
Total Staffing	0.00	0.00	0.00	1.00	1.00	1.00

Purpose

The purpose of the Natural Resource Division is to provide staff support to the Board of Supervisors on a wide range of natural resource issues including water, species conservation, land protection, and regulatory policy. The Division will be primarily grant funded and conduct its work through discrete water, agriculture, forestry, environmental restoration and habitat conservation projects.

Program Discussion

The Natural Resources Division of the Community Development Services Department was formed by the Board in October 2005. This is a new budget unit formed to allow for separate accounting of funds and personnel. The need for this budget is a testimony to the success of working regionally and acquiring grant funds. The North Coast Proposition 50 Implementation Grant Application was the highest ranked application in the State.

Proposition 50, passed by voters as the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, has funded the first two projects for this Division.

The County has partnered with other northern California counties including; Sonoma, Mendocino, Del Norte, Siskiyou, Modoc, and Trinity to form an Integrated Regional Water Management Planning group. This group received a \$500,000 Planning Grant administered by the Department of Water

Resources and a \$25.0 million Implementation Grant administered by the State Water Resources Control Board.

The Planning Grant is being used to coordinate regional activities and pilot General Plan processes that include water resource considerations. Planning projects are being conducted in Humboldt, Siskiyou, Trinity, and Sonoma Counties.

Almost two dozen Implementation Grant projects are being conducted throughout the region:

- Sonoma Water Recycling & Habitat Preservation Project
- Graton Wastewater Treatment Upgrade & Reclamation Project
- Sediment Solutions for Gualala
- Monte Rio Community Wastewater Project
- Fish Friendly Farming Environmental Certification Program
- Navarro Watershed Road Sediment Reduction Project
- Westport County Water District Water Supply Reliability Project
- Covelo Wastewater Facilities Improvement Project
- Mattole Integrated Water Management Plan
- Mid Van Duzen River Ranch Road Sediment Reduction Program
- Salt River Restoration Project
- Martin Slough Interceptor Project
- Redwood Creek Erosion Control
- Orick Community Services District Wastewater Treatment System
- Crescent City Wastewater Treatment Plant Renovation

Natural Resources Division (1100 289)

Kirk Girard, Community Development Services Director

- Head Hunter/Smoke House Non-point Sediment Reduction Project
- Raw and Recovered Water for Irrigating Public Agencies
- Weaverville Sanitary District Water Reclamation Project
- Araujo Dam Restoration
- City of Etna Water Supply
- Shasta Water Association Dam Restoration
- Newell Water System Renovation

For both the Planning Grant and the Implementation Grant, the County of Humboldt has been designated by the regional group as the Regional Administrator.

The adopted budget for FY 2007-08 includes one Supervising Planner transferred from the Planning Division budget #277. Additional position allocations are pending classification by the Personnel Department. Until the Supervising Planner

position is filled and additional positions are allocated, Planning Division staff will provide staffing support and their expenses will be cost-applied on a quarterly basis.

2007-08 Objectives

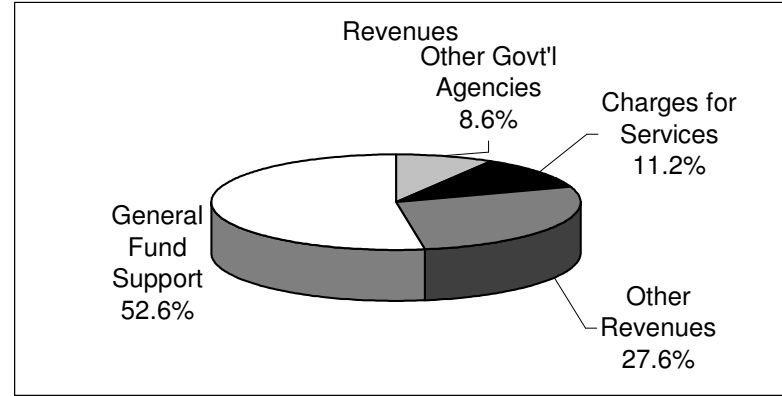
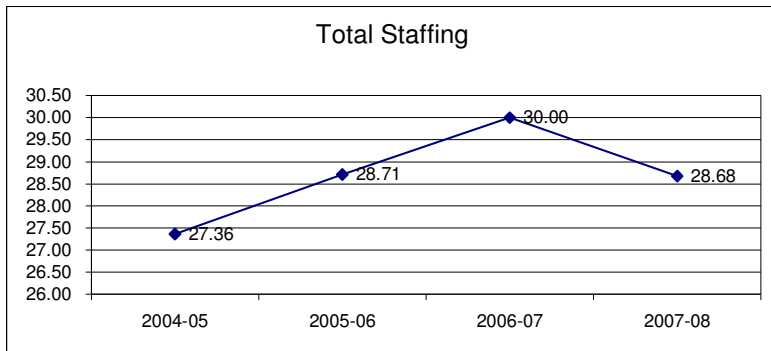
1. To complete the Natural Resource Element of the General Plan.
2. To work with Proposition 50 sub-grantees to expend 20% of the \$25 million implementation grant consistent with state and contract requirements.
3. To seek other grant funding and expand the range of projects managed by the Division in the areas of land and water conservation.

1100 - General Fund	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Request	2007-08 Adopted	Increase/ (Decrease)
Revenues						
Other Govt'l Agencies	\$260,390	\$146,212	(\$264,597)	\$189,088	\$189,088	\$453,685
Charges for Services	673,487	867,593	1,271,409	247,000	247,000	(1,024,409)
Other Revenues	2,895	1,603	1,243	608,642	608,642	607,399
General Fund Support	576,644	662,289	1,178,503	1,304,863	1,158,976	(19,527)
Total Revenues	\$1,513,416	\$1,677,697	\$2,186,558	\$2,349,593	\$2,203,706	\$17,148
Expenditures						
Salaries & Benefits	\$1,373,077	\$1,530,225	\$1,864,215	\$2,027,619	\$1,930,832	\$66,617
Supplies & Services	227,842	168,433	309,079	394,767	361,267	52,188
Other Charges	47,314	90,671	194,638	166,201	166,201	(28,437)
Fixed Assets	0	24,984	19,598	15,600	0	(19,598)
Expense Transfer	(134,818)	(136,616)	(200,973)	(254,594)	(254,594)	(53,621)
Total Expenditures	\$1,513,416	\$1,677,697	\$2,186,558	\$2,349,593	\$2,203,706	\$17,148
Staffing						
Allocated Positions	25.00	25.00	29.00	28.00	27.00	(2.00)
Temporary (FTE)	2.36	3.71	1.00	1.00	1.68	0.68
Total Staffing	27.36	28.71	30.00	29.00	28.68	(1.32)

Purpose

The Planning Division is responsible for planning and facilitating land use development based on the policies of the General Plan, Community Plans, County Codes and Ordinances as well as State and Federal regulations. Planning works with many facets of the community to gather comments regarding proposed developments and provide input into the formation of policies and plans to guide the development of the County. The Planning Division is comprised of three sections: Support Services, Current Planning, and Advance Planning, Grants and Computer Services.

State planning law is codified within Government Code § 65000. The Division also implements other State and federally mandated programs including flood hazard protection, geologic and/or seismic safety, timber production zoning, administration of Williamson Act contracts and Coastal planning and permitting authority.



Major Budget Changes

Salaries & Employee Benefits

- (\$79,573) Transfer of Supervising Planner position to new Natural Resources budget #289.
- (\$65,761) Deletion of Senior Planner position added in FY 2006-07 for LAFCo municipal service review studies.
- \$26,364 General salary and benefits adjustments.
- \$20,862 Increase in extra help expenses.

Services & Supplies

- (\$100,000) Net decrease in professional and specialized services due to transfer of funding to new Natural Resources budget and decline in grant-related projects, offset by an increase for peer review of Environmental Impact Report and to update land use codes, both projects associated with the General Plan update.
- (\$33,500) Elimination of computer software expenses to meet target budget allocation.
- \$27,735 Increase in insurance costs.

Revenues

- (\$145,000) Decrease in Proposition 50 Infrastructure Program funding.
- (\$125,202) Decrease in Title III conservation easements.
- (\$104,166) Decrease in Multi-Hazard Mitigation grant.
- (\$85,000) Decrease in Countywide Fire Planning revenue.
- (\$73,113) Decrease in U.S. Forest Service revenue.

- \$24,574 Increased draw from the Current Planning Trust.
- (\$7,759) Decreased draw from the Advanced Planning Trust.

Program Discussion

The Community Development-Planning Division consists of three main functions: the Current Planning, the Advanced Planning and the Support Services.

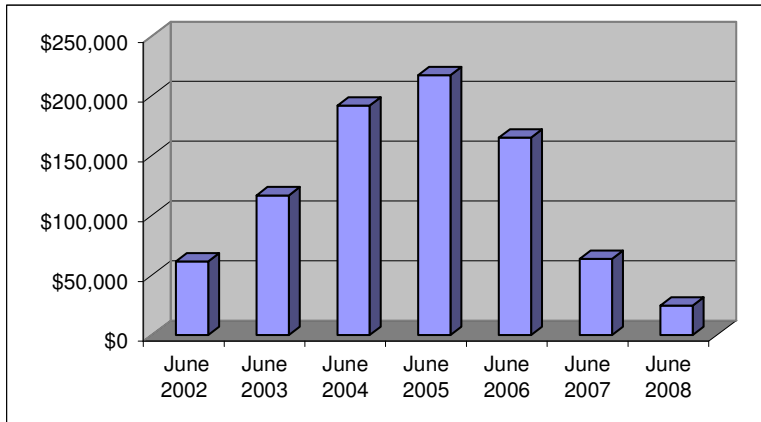
Current Planning

Current Planning’s principal work is processing permit applications, such as subdivisions, lot line adjustments and use permits. Approximately 20 land use permits are processed per month. In addition, Current Planning provides public information, operates a code enforcement program, reviews building applications and business licenses, and assigns addresses and street names.

Current Planning is reforming the permitting process under the guidance of the Board-appointed Permit Reform Committee. This includes staff additions, program modifications and a possible reorganization of the Building and Planning Divisions. These reforms will be implemented throughout FY 2007-08.

Permit fees provide the majority of revenue for Current Planning. Revenues in excess of the amount needed for current-year expenditures are placed in the Current Planning

Trust Fund #3697 as a hedge against low-revenue years. The Current Planning Trust Fund’s balance grew steadily for three years, from \$61,556 in June 2002 to \$217,425 in June 2005, then decreased to \$165,139 as of June 2006. It was erroneously reported in the FY 2006-07 budget book that no transfers from the Current Planning Trust Fund were anticipated for FY 2006-07. Instead, the Planning Division anticipates draws of \$345,504 from the Current Planning Trust in FY 2006-07 and an additional draw of \$312,292 in FY 2007-08. The Planning Division anticipates that the Current Planning Trust will have a balance of \$63,716 as of June 2007 and \$24,575 as of June 2008.



Advance Planning

The Advance Planning prepares and updates the General Plan and Land Use and Development codes, including Community Plans, Housing Element and Local Coastal Plans. Staff provides citizen advisory committee support and public

information related to advance planning. Specialists within Advance Planning provide information services support to the entire department; including geographic information system (GIS) support, database and network management, and web page production and maintenance. Advance Planning also implements an advanced planning and resource management grant program.

Advance Planning will be managing four distinct program initiatives in FY 2007-08:

Community Planning – This workgroup is preparing Urban Study Area Reports, the Agriculture and Forest Elements of the General Plan, the balance of the General Plan Update and the General Plan Environmental Impact Report.

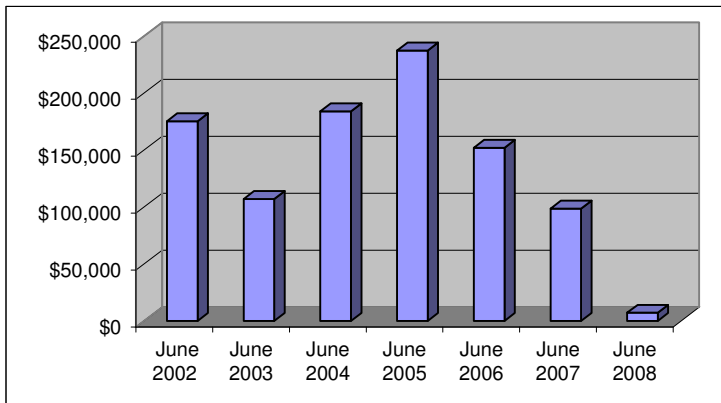
GIS and Technical Support – With a Headwaters Fund grant and internal funding, the GIS Group is working to make the County GIS system accessible to the public through the Internet. The GIS group is also updating County reference maps and supporting the Current Planning Division in permit application support mapping.

Resource Planning – A Supervising Planner is being hired to staff this workgroup. Work will include implementation of the Proposition 50 Integrated Regional Water Management Plan grant and support for North Coast water resource initiatives.

Plan Implementation – This work effort includes managing the Williamson Act Preserve Program, the Countywide Fire Department and Fire Safe Council grant program, the Countywide Multi-hazard Mitigation Plan, and the Countywide

Conservation Easement program. The group is also involved in the General Plan Update Urban Studies Area work with a focus on funding for infrastructure necessary for General Plan implementation.

The Advance Planning also has a trust fund (#3698), derived from valuation fees on construction permits and GIS product sales. The Advance Planning Trust Fund’s balance has fluctuated over the last several years, from \$175,405 in June 2002 to a low of \$107,065 in June 2003. The balance was \$237,408 as of June 2005, but since then has declined to \$151,960 as of June 2006. It was erroneously reported in the FY 2006-07 budget book that no transfers from the Advanced Planning Trust Fund were anticipated for FY 2006-07. Instead, the Planning Division drew \$154,254 from the Advanced Planning Trust in FY 2006-07 and plans an additional draw of \$294,500 in FY 2007-08. The Planning Division anticipates that the Advanced Planning Trust will have a balance of \$98,703 as of June 2007 and \$7,351 as of June 2008.



Support Services

The Support Services performs fiscal and accounting functions, provides clerical support for the entire Community Development Services Department, assists in the processing of permits, and acts as the recording secretary to the Planning Commission.

General Plan Update and Associated Challenges

The primary focus of the Planning Division during FY 2007-08 and the first half of FY 2008-09 will be completion of the County’s General Plan Update. The Board-approved schedule for the project envisions that the Planning Commission will conduct public hearings on preliminary chapters of the General Plan from February 2007 through January 2008. In March 2008, the Planning Commission will publish its version of hearing drafts of the General Plan, Environmental Impact Report (EIR), and implementing ordinances.

This effort will be followed by the Planning Commission’s and Board of Supervisors’ public hearings on the hearing drafts, scheduled to take place from March 2008 through September 2008. Final adoption of the General Plan, EIR, and implementing ordinances is scheduled for October 2008.

In order to meet this ambitious timeline, Advanced Planning staff has been reassigned to the General Plan Update to maintain the project on a Board approved timeline. This reduces the amount of grant revenue the Division can draw down on existing grants not related to the Plan Update and limits the number of new grants the Division can pursue. The

result is that the Planning Division projects a \$532,000 decline in grant-related revenue in FY 2007-08.

This has the effect of shifting staff costs from grant revenue to the General Fund and trust fund revenue. As a result, the General Fund contribution to the Planning Division has grown from \$997,159 in FY 2006-07 to \$1,158,976 in the adopted FY 2007-08 budget, an increase of \$161,817. In addition, as described earlier, the Planning Division projects that both the Current Planning Trust Fund and the Advanced Planning Trust Fund are likely to be nearly depleted by the end of FY 2007-08.

Permit Reform

The Division is reforming the permitting process under the guidance of the Board appointed Permit Reform Committee. This includes staff additions, program modifications and a reorganization of the Building and Planning Divisions. These reforms are in-process. Current Planning has been organized into three work teams each with a different regional focus. A Development Assistance was formed to guide permit process improvements, offer special permit services to the public and manage the permit process across divisions and County departments. Finally, the Support Services administrative staff has been transferred to the Planning Division and the Permit Processing. Support Services will now focus on fiscal and personnel services for the entire Community Development Services Department.

There are record numbers of planning and housing bills approved or pending in the legislature. Housing Element

requirements have increased, adding to the cost of preparing an acceptable Housing Element. Certain proposition bond funding initiatives provide incentives to jurisdictions that have conducting specialized planning processes. The Division is tracking and participating in the development of statewide funding guidelines to ensure the County of Humboldt is in a favorable position to compete for grant funding.

The volume of permit applications is beginning to show a downward trend as a result of the recent reduction in housing demand. This trend has reduced revenue levels and may further reduce revenue below projections.

Unfunded Supplemental/Restoration Funding Requests

The Planning Division submitted several supplemental requests that are not recommended for funding for FY 2007-08. The Division requested \$43,191 for a Planning Technician or \$20,862 for extra-help expenses. The recommended budget includes the extra-help expenses, but not the Planning Technician.

The Division also requested \$74,458 for the retirement cash out for a long-term employee. This request is not being recommended for funding at this time; it is recommended that the Department first attempt to fund this expense through salary savings related to its vacant positions.

Because of the Department's anticipated loss of \$500,000 in grant funding, the Planning Division had to cut expenses in

several categories to meet its target General Fund allocation. The recommended budget restored professional and specialized services funding related to consultants needed for the General Plan Update. The Division also requested \$33,500 in general software update expenses and \$15,600 for general computer replacements that could be deferred and are not recommended for funding at this time.

2006-07 Accomplishments

1. Worked with a seven-county consortium to develop an Integrated Regional Water Management Plan for the North Coast region that received a \$500,000 Planning Grant and a \$25 million Implementation Grant. The newly-established Natural Resources Planning Division within Community Development Services is the regional administrator for both of the grants.
2. Received grant funding and is implementing a Multi-Hazard Mitigation Planning program for Humboldt County.
3. Implemented the Board-approved Title III programs for local fire agencies and land conservation groups.
4. Implemented a series of Permit Process Reforms under the direction of the Permit Reform Committee:
 - Regionalization of planning services.
 - Formation of a Development Assistance.
 - Adoption of a 24-hour callback policy.

- Assignment of back-up staff to all positions.
- Implementation of a complaint handling system.
- Published permit application guides and checklists.
- Expanded the use of Applicant Assistance meetings.
- Introduced “On Track” and “E+” permit services.
- Conducted customer service training for all employees.
- Reformatted Planning Commission reports.

2007-08 Objectives

1. To implement the remaining permit process reforms as recommended by the Permit Reform Committee:
 - Utilize multi-department permit automation and management software.
 - Digitize permit records and publish them to the Internet.
 - Re-engineer the permit process to decrease processing timeframes.
 - Complete the remodel of the front counter, including a customer express lane.
 - Implement an organizational performance measure tracking and reporting system.
 - Initiate a countywide Planners’ Training Series for planner professional development.
2. To complete drafts of the General Plan Update and the associated Environmental Impact Report.

Planning Division (1100 277)

Kirk Girard, Community Development Services Director

- Complete Planning Commission hearings on draft Plan Update chapters
 - Complete Urban Studies Area Technical Report
 - Prepare Planning Commission hearing drafts of the General Plan Update and Environmental Impact Report.
 - Conduct public hearings before the Board of Supervisors
 - Prepare draft update of local land use codes.
3. To complete the Department's re-structuring, including:
- Centralization of administrative, fiscal and human resource services.
- Establishment of stand-alone Geographical Information System (GIS) and information support division.
 - Hire Deputy Planning Director and Natural Resources Division Supervisor.
 - Transfer clerical and administrative support personnel to the Planning Division.
4. To develop a full-service Internet-based GIS system in partnership with the Cities of Eureka and Arcata.
5. To complete the Local Multi-Hazard Mitigation Plan in partnership with local cities.

1120 - Economic Development Fund	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Request	2007-08 Adopted	Increase/ (Decrease)
Revenues						
Other Govt'l Agencies	\$25,438	\$0	\$0	\$0	\$0	\$0
Other Revenues	0	0	287,758	0	0	(287,758)
General Fund Support	145,894	255,052	(254,986)	0	0	254,986
Total Revenues	\$171,333	\$255,052	\$32,772	\$0	\$0	(\$32,772)
Expenditures						
Supplies & Services	\$94,937	\$119,077	\$6,261	\$0	\$0	(\$6,261)
Other Charges	76,395	135,976	26,510	0	0	(26,510)
Total Expenditures	\$171,333	\$255,052	\$32,772	\$0	\$0	(\$32,772)

Purpose

The proposed purpose of the Redevelopment Agency was to eliminate blighting influences through replanning and redevelopment of selected project areas. The Agency is authorized pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code § 33000 et seq.).

Major Budget Changes

Services & Supplies

- (\$50,000) Elimination of administrative charges from Planning and Economic Development Divisions, and professional and specialized services.

Redevelopment Agency (1120 288)

Kirk Girard, Community Development Services Director

Revenues

- (\$50,000) Elimination of funding from Economic Development Set-Aside fund.

Program Discussion

The Redevelopment Agency was formed by ordinance in December 2002 in response to the need for economic development in deteriorating communities affected by the downturn in resource-based industries. If the Board of Supervisors had adopted a formal Redevelopment Plan, the

Agency would have used incremental property tax increases to leverage state, federal, and private funds to stimulate community and economic development. The proposed Redevelopment Plan targeted redevelopment areas in the six communities of Alton/Fields Landing, Glendale, Manila/Fairhaven/Samoa, Orick, Redway, and Willow Creek.

The proposed Redevelopment Plan was unpopular both with special districts that would see a portion of their property taxes shifted away, and with the general public. Citizens of several of the redevelopment areas petitioned to be excluded from the Plan. On September 18, 2006, the Board of Supervisors voted to deactivate the County's Redevelopment Agency.

1120 - Economic Development Fund	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Request	2007-08 Adopted	Increase/ (Decrease)
Revenues						
Other Govt'l Agencies	\$1,904,326	\$2,442,264	\$3,016,691	\$2,801,654	\$2,801,654	(\$215,037)
Other Revenues	640	0	0	0	0	0
(To)/From Non-GF Fund Balance	(17,606)	3,639	10,935	0	0	(10,935)
Total Revenues	\$1,887,360	\$2,445,903	\$3,027,626	\$2,801,654	\$2,801,654	(\$225,972)
Expenditures						
Supplies & Services	\$6,228	\$13,330	\$12,610	\$36,425	\$36,425	\$23,815
Other Charges	1,881,132	2,444,614	3,015,015	2,765,229	2,765,229	(249,786)
Expense Transfer	0	(12,040)	0	0	0	0
Total Expenditures	\$1,887,360	\$2,445,903	\$3,027,626	\$2,801,654	\$2,801,654	(\$225,972)

Purpose

The Workforce Investment Division serves as the Workforce Area Administrator, Fiscal Agent, and staff to the Workforce Investment Board (WIB), a commission appointed by the Board of Supervisors and required by the Workforce Investment Act (WIA) to oversee the workforce system. This unit receives and administrates annual formula and discretionary grant funds that come through WIA and the State Employment Development Department.

The unit is responsible for financial reporting to the state and the WIB, state monitoring and auditing, oversight of service providers, contract supervision, processing invoices and reimbursements and fund management, implementation of WIB policies regarding the one-stop workforce system (The Job Market), and staffing strategic initiatives of the WIB.

Workforce Investment (1120 287)

Kirk Girard, Community Development Services Director

In this capacity, the unit integrates economic and workforce development programs to better serve the needs of employers and workers in Humboldt County.

Major Budget Changes

Other Charges

- (\$668,300) Decrease in Rapid Response grant activities.
- \$625,000 Expenses related to new Veterans grant.
- (\$420,000) Decrease in Nurse Workforce grant activities.

Revenues

- \$750,000 New Veterans and dislocated workers grant.
- (\$737,000) Expiration of Rapid Response grants.
- (\$420,000) Decrease in Nurse Workforce grant.

Program Discussion

The Workforce Investment Division secures and oversees funding for workforce training programs, employer services delivery, and workforce projects to benefit local industry

clusters. This includes the federally mandated One-Stop System for Workforce, organized in Humboldt County as the Job Market.

Services include:

- Development and implementation of workforce policy by the Humboldt County Workforce Investment Board.
- Resource development for key strategic initiatives to improve the workforce system and workers' ability to meet the needs of employers and industry growth.
- Oversight and direction to the one-stop workforce system (The Job Market) on service design, key information, and essential training resources:
 - For *employers* that enhance their human resources management efficacy, decreases the cost of matching jobs and talent, improves incumbent worker skills to meet industry demand, increases job openings, and averts layoffs.
 - To *workers* and *job seekers* that encourage good matches with employer needs, lifelong learning and technical skills improvement for local industries and employers.
 - On retraining and re-employment services for *dislocated workers* and *long-term unemployed workers*.

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- To at-risk youth to increase their opportunities for successful employment as adults.

Targets of Opportunity

The Humboldt County WIB commissioned an analysis of the labor market for the Redwood Coast region (Humboldt, Del Norte, Mendocino, Trinity, and Siskiyou counties). The Workforce Investment Division produced the Targets of Opportunity report in FY 2006-07, which identifies six fast-growth emerging industries and their labor market needs:

- Diversified health care
- Building and systems construction and maintenance
- Specialty agriculture, food and beverage
- Investment support services
- Management and innovation services
- Niche manufacturing

In the future, the Division expects to assist the WIB in providing leadership to build collaboration regionally. The goal will be to craft and provide information and communication tools that catalyze and engage local and state leaders in the future economy that *Targets of Opportunity* can provide. This will include:

- Convening industry leaders to characterize industries in-depth (e.g. markets, driving factors, talent and skill set demands, infrastructure needs, etc.)

- Developing and publishing a web directory of businesses in *Targets of Opportunity*.
- Working with regional training partners, such as College of the Redwoods and Humboldt State University, to align training programs with industry talent and skill set demands.

2006-07 Accomplishments

1. Completed the Redwood Coast Nursing Career Training Program and exceeded the project goal by serving 155 participants, 14 more than expected. The participants received a variety of services including:
 - Assistance completing 2 year and 4 year nursing programs;
 - Assistance completing the Certified Nursing Assistant, Licensed Vocational Nurse, and phlebotomist programs; and
 - High School health occupation classes.
2. Produced *Targets of Opportunity* report that identified six fast growth emerging industries and their labor market needs.
3. Updated strategic plan in response to *Targets of Opportunity* report.

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4. Raised \$185,000 to continue work regionally with emerging industries identified in *Targets of Opportunity* report, and complete implementation of business services at the Job Market for workforce, industry cluster and employer service programs and services.
5. Implemented redesign of Rapid Response program to focus more on layoff aversion and provide a more customized approach with companies that are facing an imminent layoff.
6. Designed and began implementation of business human resource services at the Job Market.
7. Presented *Targets of Opportunity* report to the Northern Rural Training Employment Consortium WIB, Mendocino WIB, Arcata City Council, State, and numerous other entities.
8. Conducted 15 monitorings of contractors for compliance with local, state, and federal guidelines, as well as compliance with the objectives of their clients.

9. Completed two monitorings by the State with no significant findings.

2007-08 Objectives

1. To secure \$1.0 million for vocational counseling and re-training of dislocated workers.
2. To complete implementation of business human resource services at the Job Market.
3. To disseminate the *Targets of Opportunity* report regionally and engage regional partners in focusing resources to meet the needs of *Targets of Opportunity* industries.
4. To restructure the Division's at-risk youth program to align with *Targets of Opportunity*, to adjust to diminishing formula funds, and to attract new private and public sector investment.
5. Secure \$200,000 in additional funds to implement initiatives identified in the *WIB Strategic Plan 2007-2009*.