

Community Development Summary

Kirk Girard, Community Development Services Director

Departmental Summary	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Request	2008-09 Adopted	Increase/ (Decrease)
Revenues						
Attributable to Department	\$8,075,450	\$12,124,373	\$8,281,016	\$22,122,568	\$22,125,046	\$13,844,030
General Fund Support	844,092	1,475,179	1,736,085	1,453,913	1,399,655	(336,430)
(To)/From Non-GF Fund Balance	1,800,268	(2,384,887)	624,920	(29,162)	(29,162)	(654,082)
Total Revenues	\$10,719,810	\$11,214,665	\$10,642,021	\$23,547,319	\$23,495,539	\$13,507,600
Expenditures						
Salaries & Benefits	\$2,965,290	\$3,471,327	\$3,750,117	\$4,190,606	\$4,172,966	\$422,849
Supplies & Services	545,495	646,000	941,744	785,981	751,841	(189,903)
Other Charges	7,713,098	7,696,142	6,737,157	19,186,809	19,186,809	12,449,652
Fixed Assets	36,793	25,554	5,388	0	0	(5,388)
Expense Transfer	(540,866)	(624,358)	(792,385)	(616,077)	(616,077)	176,308
Total Expenditures	\$10,719,810	\$11,214,665	\$10,642,021	\$23,547,319	\$23,495,539	\$12,853,518
Staffing						
Allocated Positions	49.00	57.00	56.00	58.00	58.00	2.00
Temporary (FTE)	8.46	4.24	5.75	2.70	2.70	(3.05)
Total Staffing	57.46	61.24	61.75	60.70	60.70	(1.05)

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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 Planning

- 1100 289 Natural Resources

Planning Division

- 1100 277 Planning

Workforce Investment

- 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

Mission

In partnership with the people of Humboldt, and under the direction of policy makers, we apply professional community development skills, consistent with regulations, to promote the welfare of our citizens, the growth of our businesses and the sustainability of our communities. We are determined to make our organization a source of pride for ourselves and the residents of Humboldt County by:

- Understanding and acknowledging our customers' needs.
- Meeting those needs through disciplined and timely performance of duties within efficient work processes.

- Being innovative and solving problems creatively.
- Diligently managing expenses to maintain low service costs.
- Seeking grant funds and collaborative partnerships to accomplish strategic community development goals.
- Following legal and regulatory guidelines and striving for consistency in our approach and decisions.
- Developing productive relationships with the citizens of Humboldt County, including community leaders, business people, builders, developers, environmental stewards, and representatives of organizations, cities, districts and regulatory agencies.

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- Increasing residents’ participation in community development.
- Understanding and positively representing the social, economic, and environmental interests of our communities.

2. Improve the permit process.
3. Increase housing opportunities.
4. Develop community infrastructure and services.
5. Expand and diversify the economy.
6. Improve natural resource management.

Goals

1. Complete the General Plan Update.

Performance Measures

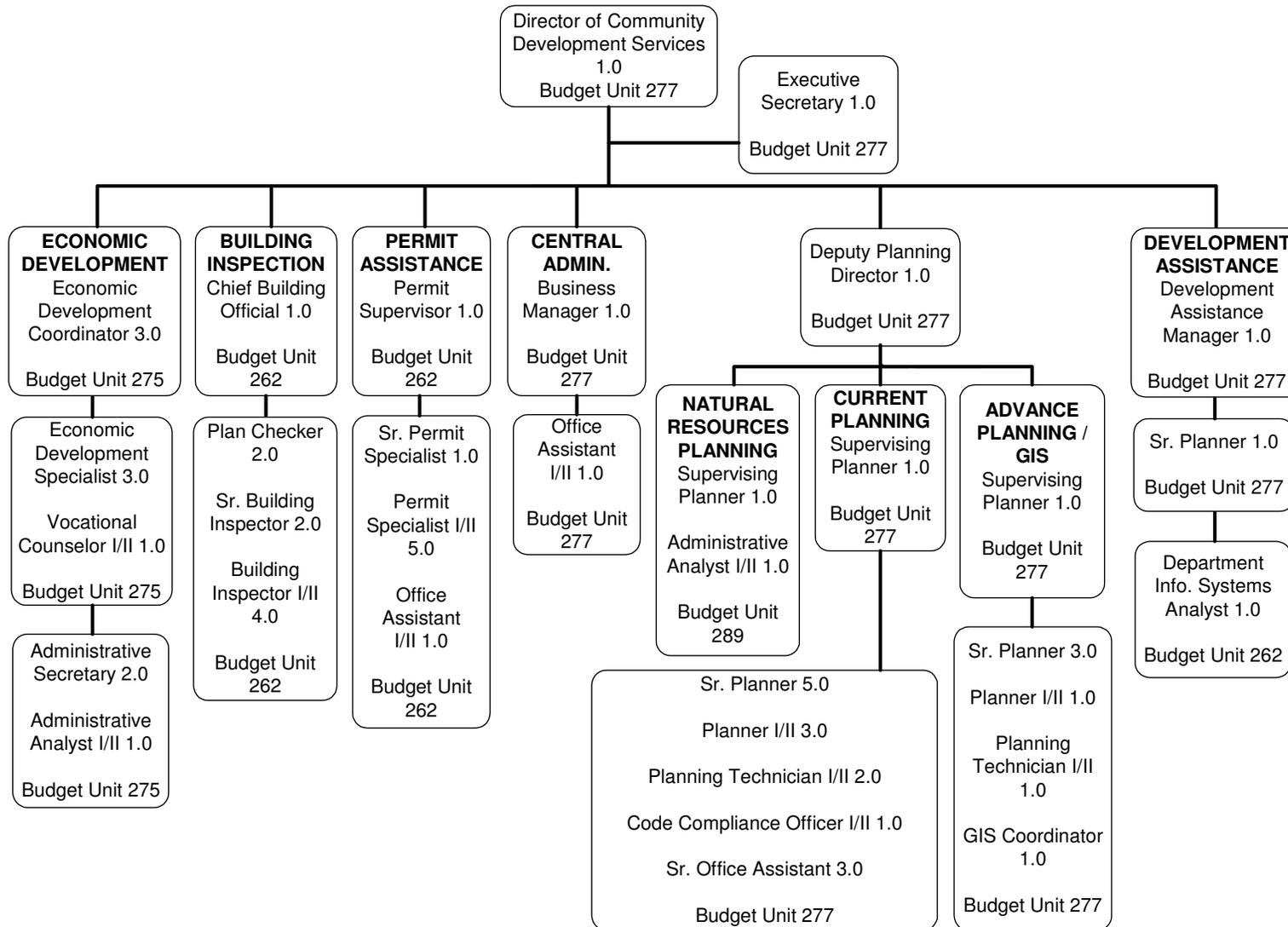
1. <i>Description of Performance Measure: Permit Reform Tasks Completed</i>				
<i>FY 2004-05 Actual</i>	<i>FY 2005-06 Actual</i>	<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Estimated</i>	<i>FY 2008-09 Projected</i>
N/A	N/A	25%	75%	100%
<p><i>Describe why this measure is important and/or what it tells us about the performance of this department:</i> The percentages reported above reflect progress on the reform initiatives identified by the Permit Reform Committee. A total of 16 initiatives were adopted by the Committee. Eight initiatives are considered complete. Four initiatives are considered ongoing. Initiatives are considered ongoing if they relate to a program or an action without a definitive end such as training programs, service programs and biennial surveys. Four initiatives have been started but are not yet complete. The percentages above do not reflect other permit reforms initiated or completed by the Department identified through internal review or as a result of customer feedback. In addition, the Permit Reform Committee is reconvening to review and update the roster of candidate reforms so the percentages and values reported may change in subsequent reporting years.</p>				
2. <i>Description of Performance Measure: Building Permits Issued</i>				
<i>FY 2004-05 Actual</i>	<i>FY 2005-06 Actual</i>	<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Estimated</i>	<i>FY 2008-09 Projected</i>
4,240	3,798	3,693	3,420	3,400
<p><i>Describe why this measure is important and/or what it tells us about the performance of this department:</i> Data is provided to State and local agencies and used to estimate monthly revenues and budget calculations. Permit data is also used in forecasting building trends.</p>				

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3. Description of Performance Measure: Planning Permits Processed				
<i>FY 2004-05 Actual</i>	<i>FY 2005-06 Actual</i>	<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Estimated</i>	<i>FY 2008-09 Projected</i>
289	298	308	261	270
<i>Describe why this measure is important and/or what it tells us about the performance of this department: Planning permit volume is a measure of the Planning Division's workload as well as an indicator of the level of construction and development activity in the County.</i>				
4. Description of Performance Measure: Code Violation Cases Reported and Closed				
<i>FY 2004-05 Actual</i>	<i>FY 2005-06 Actual</i>	<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Estimated</i>	<i>FY 2008-09 Projected</i>
191 open 309 closed	190 open 327 closed	239 open 337 closed	275 open 311 closed	311 open 591 closed
<i>Describe why this measure is important and/or what it tells us about the performance of this department: Code Compliance is essential to the development and growth of the County. State laws and County ordinances require us to put property owners on notice of the potential illegal subdivision status of their property (Notice of Subdivision Map Act Violation), and the possible illegal status of improvements on the parcel (Notice of Nuisance).</i>				

Organization Chart:



1100 - General Fund	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Request	2008-09 Adopted	Increase/ (Decrease)
Revenues						
Licenses & Permits	\$993,353	\$1,121,075	\$992,627	\$968,336	\$968,336	(\$24,291)
Charges for Services	9,664	8,862	8,575	14,298	14,298	5,723
Other Revenues	233	87	259,370	334,201	336,679	77,309
General Fund Support	176,037	194,497	221,957	241,533	218,048	(3,909)
Total Revenues	\$1,179,288	\$1,324,522	\$1,482,529	\$1,558,368	\$1,537,361	\$54,832
Expenditures						
Salaries & Benefits	\$947,790	\$1,088,670	\$1,150,341	\$1,156,125	\$1,150,028	(\$313)
Supplies & Services	137,337	151,917	197,899	209,443	194,533	(3,366)
Other Charges	112,169	118,186	196,881	258,498	258,498	61,617
Fixed Assets	8,782	4,491	1,579	0	0	(1,579)
Expense Transfer	(26,791)	(38,742)	(64,171)	(65,698)	(65,698)	(1,527)
Total Expenditures	\$1,179,288	\$1,324,522	\$1,482,529	\$1,558,368	\$1,537,361	\$54,832
Staffing						
Allocated Positions	18.00	19.00	18.00	18.00	18.00	(1.00)
Temporary (FTE)	1.03	0.14	1.00	0.20	0.20	(0.80)
Total Staffing	19.03	19.14	19.00	18.20	18.20	(1.80)

Purpose

The Building Inspection Division issues building permits and conducts code enforcement activities. Statutory authority is provided by the California Health and Safety Code, Business and Professions Code and Administrative Code.

Major Budget Changes

In FY 2008-09, revenue from building permits is estimated to decline by approximately 12 percent. This estimate is based on year-to-date actuals. To offset this decrease in revenue a transfer from the Building Inspection Trust Fund will be necessary. In addition, two positions will be held vacant to generate salary savings.

Expenditure increases include administrative charges from other divisions of the Community Development Services Department as well as ongoing costs associated with implementation of new software.

Program Discussion

The adopted FY 2008-09 budget is \$1,537,361. General Fund support comprises \$218,048 of that amount.

The workload of the Building Inspection 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 efforts of each inspector to work with people to resolve violations. The inspectors perform all facets of new construction, addition, and remodel inspections 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 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 for meeting with both the permit applicants and the general public to advise them of what will be required, review applications, obtain the required approvals, calculate permit fees, and determine 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 collects 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

Plan checking ensures that plans for proposed building construction conform to building codes and other 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 structure or addition built by the owner or a licensed contractor that does 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 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 field contact.

Permit Reform Efforts

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

- A 24-hour callback policy.

Building Inspection (1100 262)

Kirk Girard, Community Development Services Director

- A complaint-handling system that records, tracks, and resolves complaints made in relation to procedural aspects and/or staff processing errors.
- An additional Plan Checker I/II position, which will shorten the processing time on in-house plan checks.
- 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 Division’s budget. In order to balance the budget for FY 2008-09, a transfer of Trust Fund revenues of \$335,929 will be required. Estimated Building Inspection fees for FY 2008-09 constitute 63 percent of the budget.

The Building Inspection 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 estimated \$420,000 as of June, 2008.

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 Inspection 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.

2007-08 Accomplishments

1. Implemented express lane for permit services.
2. Redesigned lobby area to improve appearance and efficiency for customers.
3. Implemented 24-hour call back policy.
4. Participated in successful second-unit design contest with local Board of Realtors.
5. Transferred Code Compliance from Current Planning to Building.

2008-09 Objectives

1. To review fees and propose adjustments as necessary to offset trust fund withdrawals and increase revenue.
2. To complete training with staff on new California Building Codes.
3. To become proficient in review of construction plans using 2007 California Building Codes.
4. To create application packets for building permits.
5. To update and create new customer handouts and permit information to comply with 2007 California Building Codes.



1120 - Economic Development Fund	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Request	2008-09 Adopted	Increase/ (Decrease)
Revenues						
Other Govt'l Agencies	\$3,178,017	\$6,295,132	\$1,093,708	\$2,545,477	\$2,545,477	\$1,451,769
Charges for Services				55,641	55,641	55,641
Other Revenues	70,770	10,080	14,848	20,000	20,000	5,152
(To)/From Non-GF Fund Balance	1,467,006	(2,078,394)	564,872	0	0	(564,872)
Total Revenues	\$4,715,792	\$4,226,818	\$1,673,428	\$2,621,118	\$2,621,118	\$947,690
Expenditures						
Salaries & Benefits	\$487,275	\$518,441	\$638,480	\$803,564	\$803,564	\$165,084
Supplies & Services	99,732	75,878	69,785	69,498	69,498	(287)
Other Charges	4,491,177	4,015,677	1,476,026	2,115,026	2,115,026	639,000
Fixed Assets	3,027	1,465	0	0	0	0
Expense Transfer	(365,419)	(384,643)	(510,863)	(366,970)	(366,970)	143,893
Total Expenditures	\$4,715,792	\$4,226,818	\$1,673,428	\$2,621,118	\$2,621,118	\$947,690
Staffing						
Allocated Positions	6.00	9.00	9.00	10.00	10.00	1.00
Temporary (FTE)	3.72	3.10	2.00	1.50	1.50	(0.50)
Total Staffing	9.72	12.10	11.00	11.50	11.50	0.50

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, helps to build community infrastructure that lays the foundation for business start up and expansion, affordable housing and the elimination of depressed living conditions.

Major Budget Changes

Revenues from grants, and the associated grant program expenditures, have shrunk during FY 2007-08 and are projected to decrease further for FY 2008-09.

Expenditures for salaries and benefits are proposed to increase, both for countywide salary increases and due to the addition of new positions. For FY 2008-09, the Department is proposing to move the Development Assistance Manager position from the Economic Development Division to Planning, and to allocate a replacement Economic Development Coordinator position. Also proposed is a new position, classified as a Vocational Counselor, to assist in a new interdepartmental initiative on youth employment.

Costs for professional services are decreasing slightly due to attributing more of these services to individual grants; some charges formerly recorded as expense transfers are now being accounted for in revenue lines.

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 clean-up
- Coordination of Local Workforce Investment Area
- 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 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

Economic Development (1120 275)

Kirk Girard, Community Development Services Director

districts, cities, and non-profits to secure gap funding for infrastructure projects.

The Economic Development Division manages the Economic Development general budget (1120-275), the Headwaters Fund (budget unit 286), and the Workforce Investment Board (budget unit 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 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.

- Strengthening the County workforce to meet industry needs.
- Building local capacity for coordinated economic development initiatives.
- 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 focus areas in Economic Development in FY 2008-09: (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.

While the housing market has reduced purchase prices, the County still has a lack of affordable housing, especially for low and very-low income residents. 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 works closely with the County's Planning Division to evaluate initiatives that could encourage private sector investment in affordable housing.

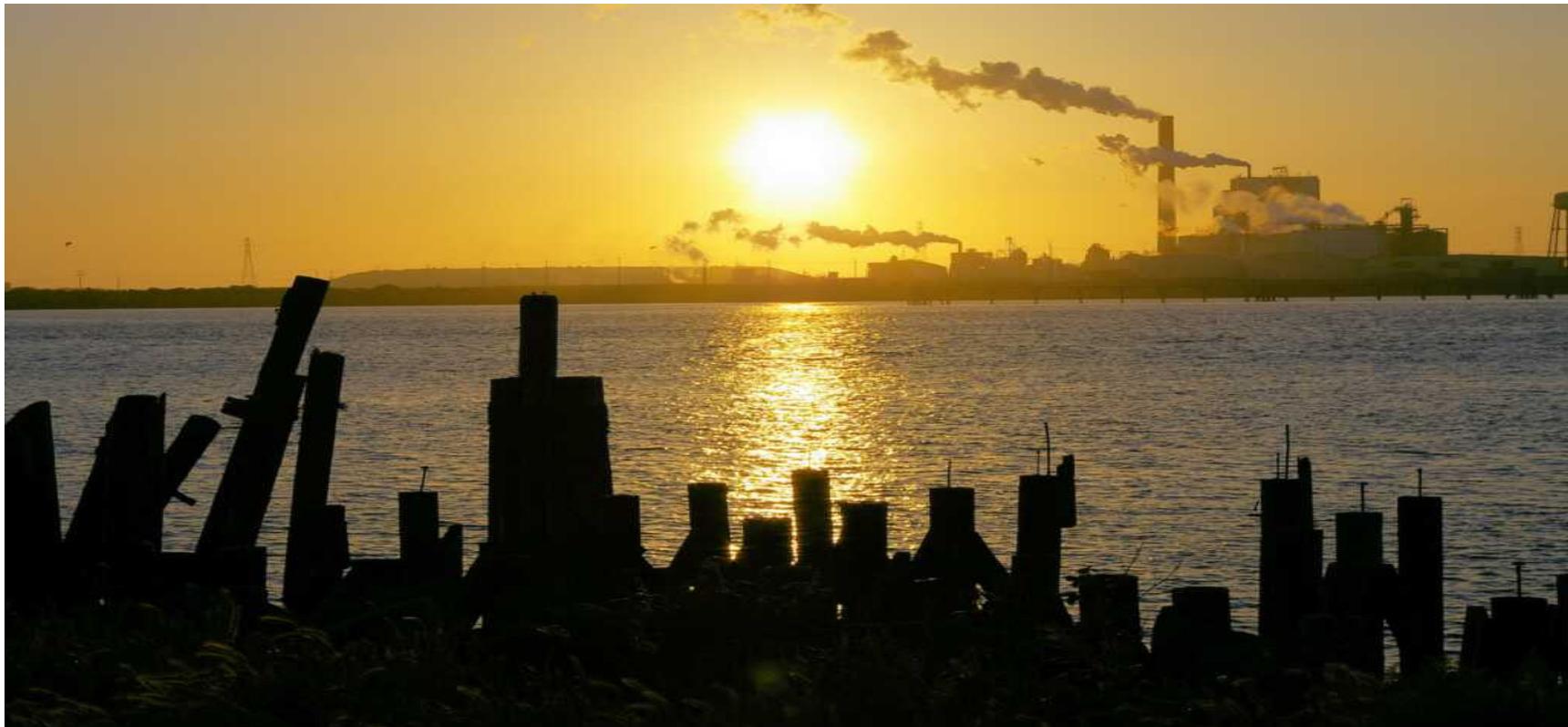
Deterioration and a lack of rural infrastructure have been identified as a core constraint to future economic and housing development within the County. The Economic Development Division will continue to work closely with the County's Planning Division and other jurisdictions to identify rural infrastructure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

2007-08 Accomplishments

1. Produced first regional industry cluster conference for Targets of Opportunity industries, and second Housing Summit.
2. Provided micro-enterprise funding that started or expanded 102 businesses and created/retained 32 jobs and granted \$247,000 for economic development from the Headwaters Fund.
3. Opened 24 apartment units in Willow Creek, 20 apartment units in Redway, rehabilitated the Raven House Teen Center, and provided funding for rehabilitation of 12 owner-occupied homes.
4. Completed 14 Phase I site assessments and 2 Phase II investigations on brownfields sites, and completed the Willow Creek Wastewater Study.
5. Launched www.NorthCoastProsperity.com with timely and useful economic data and GIS land use information.

2008-09 Objectives

1. To assist regional industries to identify key initiatives for economic development in the region.
2. To increase affordable housing options for residents.
3. To strengthen youth and adult residents' understanding of the labor market, and their skills to meet employer needs and secure careers in growing industries.
4. To provide grants, contracts and loans that stimulate economic development.
5. To build capacity of economic development to be effective regionally.



Headwaters Fund (1120 286)

Kirk Girard, Community Development Services Director

1120 - Economic Development Fund	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Request	2008-09 Adopted	Increase/ (Decrease)
Revenues						
Other Revenues	\$341,819	\$310,955	\$96,977	\$162,070	\$162,070	\$65,093
(To)/From Non-GF Fund Balance	74,571	(74,571)	67	(29,162)	(29,162)	(29,229)
Total Revenues	\$416,390	\$236,384	\$97,044	\$132,908	\$132,908	\$35,864
Expenditures						
Supplies & Services	\$5,341	\$1,332	\$2,830	\$19,400	\$19,400	\$16,570
Other Charges	411,049	235,052	93,046	113,508	113,508	20,462
Fixed Assets			1,168	\$0	0	(1,168)
Total Expenditures	\$416,390	\$236,384	\$97,044	\$132,908	\$132,908	\$35,864
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Allocated Positions	0.00	0.00	0.00	0.00	0.00	0.00
Temporary (FTE)	0.00	0.00	0.00	0.00	0.00	0.00
Total Staffing	0.00	0.00	0.00	0.00	0.00	0.00

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. Staff is funded in Economic Development budget unit 275, with transfers made to cover costs attributable to Headwaters activity.

Major Budget Changes

Transfers to the main Economic Development budget for staffing are proposed to increase in FY 2008-09, but this increase will be offset by decreased charges for outside consulting services.

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.

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 Division Headwaters Fund unit of the Community Development Services Department is responsible for implementation and monitoring of Headwaters Fund programs. The unit facilitates the strategic funding of projects and organizations that foster community economic development within Humboldt County. The unit 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 Unit is funded through income from the Headwaters Trust Fund(s).

Headwaters Fund (1120 286)

Kirk Girard, Community Development Services Director

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 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 to 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.
- The **Grant Fund** provides grants for projects benefiting base and emerging 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 are paid directly out of the Grant Fund instead of through this budget unit.

Refining the Focus of the Headwaters Fund

As planned, a review of Headwaters Fund focus and activities was completed after its first three years of operation. The Headwaters Fund board recommended and the Board of Supervisors adopted the following:

- All Chartered aspects of the Fund are working and remain in place.
- An initiative that allows proactive (rather than responsive) grant making will be developed and launched.
- The Headwaters Fund Board terms are lengthened.
- New loan products will be researched and developed.
- Additional priorities of the Fund include quality workforce, transportation, business climate and leverage for community infrastructure funding.

2007-08 Accomplishments

1. Identified opportunities, and committed \$247,000 of the Grant Fund to help facilitate community projects administered by non-profit organizations and government jurisdictions in Humboldt. Grants included:
 - a. Broadband Demand Aggregation Pilot Project (\$100,000)

- b. Micro-enterprise Mini-loan and Support (\$7,500)
 - c. Competitive Intelligence for High Growth Companies (\$66,070)
 - d. Enhancing Sales and Hiring (\$55,090)
 - e. Energy Efficient Economy (\$40,000)
 - f. City of Rio Dell Economic Development Strategic Plan (\$30,000)
 - g. Outbound: Develop Markets for Humboldt County Produce (\$25,222)
- 2. Made a Community Investment Fund loan to the Humboldt Waste Management Authority to assist with the closing of the Cummings Road Landfill site.
 - 3. Worked with Redwood Regional Economic Development Corporation (RREDC) and Arcata Economic Development Corporation (AEDC) to provide loan funding for local businesses.
 - 4. Renewed Revolving Loan Fund contracts with RREDC and AEDC.
 - 5. Completed a planning process to refine the focus of the Headwaters Fund and began planning for a Grant Fund Initiative.

2008-09 Objectives

- 1. To work with RREDC and AEDC to provide at least \$500,000 in loan funding for local businesses.
- 2. To 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.
- 4. To plan and launch a new Grant Fund Initiative as a proactive strategy to address an economic development priority.
- 5. To plan and launch a new loan product that responds to important community needs.

1100 - General Fund	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Request	2008-09 Adopted	Increase/ (Decrease)
Revenues						
Other Gov't Agencies	\$0	\$36,293	\$1,730,312	\$14,293,640	\$14,293,640	\$12,563,328
General Fund Support	0	102,178	363,096	0	0	(363,096)
Total Revenues	\$0	\$138,472	\$2,093,408	\$14,293,640	\$14,293,640	\$12,200,232
Expenditures						
Salaries & Benefits	\$0	\$0	\$92,814	\$153,461	\$153,461	\$60,647
Supplies & Services	0	72,013	211,946	163,915	163,915	(48,031)
Other Charges	0	66,459	1,786,007	13,976,264	13,976,264	12,190,257
Fixed Assets	0	0	2,641	0	0	(2,641)
Total Expenditures	\$0	\$138,472	\$2,093,408	\$14,293,640	\$14,293,640	\$12,200,232
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Allocated Positions	0.00	0.00	2.00	2.00	2.00	2.00
Temporary (FTE)	0.00	0.00	0.00	0.00	0.00	0.00
Total Staffing	0.00	0.00	2.00	2.00	2.00	2.00

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 is primarily grant funded and conducts its work through discrete water, agriculture, forestry, environmental restoration and habitat conservation projects.

Major Budget Changes

In FY 2008-09, both revenues and expenditures are proposed to grow by 81 percent due to funds for various projects under the Proposition 50 grant program.

Staffing in FY 2008-09 will be provided by a Supervising Planner managing the Division and an Administrative Analyst providing fiscal and administrative support. The analyst position was allocated by Board action during FY 2007-08.

Program Discussion

The Natural Resources Division of the Community Development Services Department was formed by the Board of Supervisors in October 2005. This budget unit was 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. 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 North Coast Proposition 50 Implementation Grant Application was the highest ranked application in the State.

The County has partnered with other northern California counties including: Sonoma, Mendocino, Del Norte, Siskiyou, Modoc, and Trinity to form the North Coast Integrated Regional Water Management Planning (NCIRWMP) group. This group received a \$500,000 Planning Grant administered by the Department of Water Resources and a \$25 million Implementation Grant administered by the State Water Resources Control Board.

The Proposition 50 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.

Under the Proposition 50 Implementation Grant almost two dozen component projects are being conducted throughout the region.

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

2007-08 Accomplishments

1. Created and staffed the Division with two positions: a Supervising Planner and an Administrative Analyst.
2. Executed a \$25 million Proposition 50 Implementation Grant with the State Water Resources Control Board for 22 projects throughout the North Coast Region and issued 22 Sub-Grantee Agreements to sub-recipients of the Implementation Grant.
3. Developed Proposition 50 regional grant management and reporting system.
4. Participated in local, regional and state-wide planning efforts for Integrated Regional Water Management.
5. Completed final technical reports and draft Water Resources and Community Infrastructure and Services Elements for the County of Humboldt General Plan Update.

2008-09 Objectives

1. To include the Water Resources and Community Infrastructure and Services Elements in the adoption of the updated General Plan.
2. To complete all requirements of the Proposition 50 Planning Grant.
3. To work with Proposition 50 Sub-Grantees to expend 40% of the Proposition 50 Implementation Grant consistent with state and contract requirements.
4. To solicit projects locally and regionally for Proposition 84 Integrated Regional Water Management funding.

1100 - General Fund	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Request	2008-09 Adopted	Increase/ (Decrease)
Revenues						
Other Gov't Agencies	\$146,212	(\$264,597)	\$120,250	\$205,493	\$205,493	\$85,243
Charges for Services	867,593	1,271,409	249,889	367,108	367,108	117,219
Other Revenues	1,603	1,243	727,196	568,000	568,000	(159,196)
General Fund Support	662,289	1,178,503	1,151,032	1,212,380	1,181,607	30,575
Total Revenues	\$1,677,697	\$2,186,558	\$2,248,367	\$2,352,981	\$2,322,208	\$73,841
Expenditures						
Salaries & Benefits	\$1,530,225	\$1,864,215	\$1,868,482	\$2,077,456	\$2,065,913	\$197,431
Supplies & Services	168,433	309,079	440,484	291,600	272,370	(168,114)
Other Charges	90,671	194,638	156,752	167,334	167,334	10,582
Fixed Assets	24,984	19,598	0	0	0	0
Expense Transfer	(136,616)	(200,973)	(217,351)	(183,409)	(183,409)	33,942
Total Expenditures	\$1,677,697	\$2,186,558	\$2,248,367	\$2,352,981	\$2,322,208	\$73,841
Staffing						
Allocated Positions	25.00	29.00	27.00	28.00	28.00	(1.00)
Temporary (FTE)	3.71	1.00	2.75	1.00	1.00	0.00
Total Staffing	28.71	30.00	29.75	29.00	29.00	(1.00)

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. State planning law is codified within Government Code § 65000.

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 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

The major change proposed for the Planning budget for FY 2008-09 is increased salary and benefit costs. This includes both the general increases applicable across County departments and the transfer of one position (the Development Assistance Manager) from the Economic Development Division of Community Development Services to Planning.

This increase will be partially offset by decreased costs for outside consulting services and by increased fee revenues.

Program Discussion

The Planning Division is comprised of three sections: Current Planning, Development Assistance, and Advance Planning.

Current Planning

Current Planning's principal work is processing permit applications, such as subdivisions, lot line adjustments and use permits. Approximately 24 land use permits are processed to a decision per month. In addition, Current Planning provides public information, operates a voluntary code compliance 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 Permit Reform Committee. In FY 2007-08, staff additions, program modifications and reorganization of the Building and Planning Divisions significantly improved permit processing performance. Working with Building, the Environmental Health Division of Health and Human Services and the Land Use Division of Public Works, the Division is implementing a new permit processing automation system that will further improve efficiency and communication.

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, and then decreased to \$165,139 as of June 2006. The Planning Division anticipates that the Current Planning Trust will have a balance of \$97,956 as of June 2008 and \$24,575 as of June 2009.

Development Assistance Division

The Development Assistance Division was formed in FY 2007-08 on the recommendation of the Permit Reform Committee. The Board of Supervisors created the Development Assistance Manager classification on April 1, 2008. The Division has three service goals: 1) Customer Services; 2) Reform Services; and 3) Outreach and Information Services.

The purpose of the Customer Services goal is to provide customized, fee-based services to the development community and public. An example of this goal is the Project Facilitation service through which customers get professional assistance generating complete application materials, such as plot plans. Another example is the On Track program where enrolled customers receive weekly email updates regarding the status of their planning projects. Customer Services also includes facilitating the permitting of strategic development projects such as affordable housing, infill development, and business development through the Expedited Permit Program (E+). Additionally, the Division is responsible for responding to, and assisting with, business license referrals that require land use permits.

The purpose of the Reform Services goal is to increase accuracy and consistency as well as reduce permit processing time of building and planning permits. This is achieved through process mapping, streamlining procedures, and deploying modern technology. Key initiatives under the Reform Services goal include the digitizing of Department records and updating and integrating the technological and ad-hoc systems used to manage and track permits and projects. In August 2007, the Board of Supervisors allocated contingency funds to purchase enterprise level software for use by the Building and Planning Divisions of Community Development Services, as well as Public Works Land Use Division and Environmental Health. The license and service agreement was signed in December 2007. The first working prototype was delivered in April 2008 with new system launch for the first phase of the project (Building Division) scheduled for June 2008.

The purpose of the Outreach and Information Services goal is to educate and inform the development community and public regarding development services and requirements, as well as publish and maintain self-help resources for applicants that do not have access to consulting services. Key initiatives under this goal include updating and maintaining Department publications and significantly expanding the accessibility of information online.

The Division is also responsible for conducting the Department's customer satisfaction survey. The survey has been conducted twice and occurs approximately every two

years. The survey tracks nine attributes across two demographics for the Building and Planning Divisions. Survey results and comparisons were presented to the Board in August 2007.

Advanced Planning

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 2008-09:

Community Planning – This work group is preparing the final hearing draft of the General Plan Update and the General Plan Environmental Impact Report (EIR).

GIS and Technical Support – With a Headwaters Fund grant and internal funding, the GIS Group has made the County GIS system accessible to the public through the Internet, and will focus on improving these services during FY 2008-09. The GIS

Group is also updating County reference maps and supporting the Current Planning Division in permit application support mapping.

Plan Implementation – This work effort includes managing the Williamson Act Preserve program, the countywide Fire Safe Council grant program, the countywide Multi-Hazard Mitigation Plan, and the countywide Conservation Easement program. The group is also involved in preparing ordinances necessary for General Plan implementation.

Advance Planning also has a trust fund (3698), derived from valuation fees on construction permits and GIS product sales. The Planning Division anticipates that the Advanced Planning Trust will have a balance of \$7,351 as of June 2009.

General Plan Update

The primary focus of the Advanced Planning during 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 the final hearing draft of the General Plan, EIR, and implementing ordinances starting in September 2008.

This will be followed by the Board of Supervisors' public hearings, scheduled to take place from February 2009 through April 2009. Final adoption of the General Plan, EIR, and implementing ordinances is scheduled for July 2009.

2008-09 Accomplishments

1. Implemented the following Permit Reform Committee recommendations:
 - Formed Development Assistance Division
 - Implemented Customer Service Training
 - Formed Regional Planning Workgroups
 - Reformatted Planning Commission Reports and Agenda
 - Instituted 24-hour Call Back Policy
 - Implemented Complaint Handling System
 - Implemented Performance Measure Tracking
 - Purchased Permit Automation Software
2. Published the countywide interactive Geographic Information System on the web.
3. Processed Local Coastal Plan Amendment mapping changes to the Board of Supervisors.
4. Presented draft chapters of General Plan Update to the Planning Commission.
5. Transferred Code Compliance Group from the Planning Division to the Building Division.

2008-09 Objectives

1. To deploy permit automation software for processing building and planning permits.
2. To track and report permit process performance measures.
3. To develop and implement renewed list of Permit Reform Committee priorities.
4. To establish framework for Geographic Information Services support to other County Departments.
5. To increase Advanced Planning grant revenue for Plan Implementation.

1120 - Economic Development Fund	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Request	2008-09 Adopted	Increase/ (Decrease)
Revenues						
Other Govt'l Agencies	\$2,442,264	\$3,016,691	\$2,978,388	\$2,588,304	\$2,588,304	(\$390,084)
Charges for Services	0	0	8,876	0	0	(8,876)
(To)/From Non-GF Fund Balance	3,639	10,935	59,981	0	0	(59,981)
Total Revenues	\$2,445,903	\$3,027,626	\$3,047,245	\$2,588,304	\$2,588,304	(\$458,941)
Expenditures						
Supplies & Services	\$13,330	\$12,610	\$18,800	\$32,125	\$32,125	\$13,325
Other Charges	2,444,614	3,015,015	3,028,445	2,556,179	2,556,179	(472,266)
Expense Transfer	(12,040)	0	0	0	0	0
Total Expenditures	\$2,445,903	\$3,027,626	\$3,047,245	\$2,588,304	\$2,588,304	(\$458,941)
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Allocated Positions	0.00	0.00	0.00	0.00	0.00	0.00
Temporary (FTE)	0.00	0.00	0.00	0.00	0.00	0.00
Total Staffing	0.00	0.00	0.00	0.00	0.00	0.00

Purpose

The Workforce Investment unit serves as the Local Workforce Investment 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 administers annual formula and discretionary grant funds, which 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 of invoices and reimbursements, funds management, implementation of WIB policies regarding the one-stop workforce system (The Job Market), and the strategic initiatives of the WIB.

Staff is funded through Economic Development budget unit 275 and transfers are made to cover the costs attributable to the Workforce Investment unit.

Major Budget Changes

In FY 2008-09 grant revenue is estimated to decrease substantially due to grant termination and lack of carry-over funds from previous years. In particular, \$750,000 budgeted in FY 2007-08 for a Veterans and Dislocated Worker grant will not continue in FY 2008-09.

A reduction in expenditures will offset reduced revenue. The adopted budget includes reduced expenditures for grant programs.

Program Discussion

The Workforce Investment unit 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, decrease the cost of matching jobs and talent, improve incumbent worker skills to meet industry demand, increases job openings, and avert layoffs.

Workforce Investment (1120 287)

Kirk Girard, Community Development Services Director

- 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*.
- 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 unit 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

This report remains the foundation for strategic action, and the unit will continue to support the WIB in providing leadership on critical workforce issues 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.).
- 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.

2007-08 Accomplishments

1. Produced first regional industry cluster conference for Targets of Opportunity industries.
2. Produced and published video about high growth occupations in the health care industry.
3. Re-designed youth work experience program and forged cooperative funding agreement with Probation and Social Services.
4. Produced and published Targets of Opportunity occupational analysis.
5. Implemented WIB strategic plan and provided staff support for WIB initiatives.

2008-09 Objectives

1. To strengthen youth and adult residents’ understanding of the labor market, and their skills to meet employer needs and secure careers in growing industries.
2. To inform the public of key trends and needs in the labor market.
3. To secure funding that enhances our ability to collaborate regionally, launch strategic initiatives and assist dislocated workers to transition into expanding industries.
4. To assist industry cluster leaders to identify strategic initiatives that support job and wage growth.
5. To support Headwaters Fund workforce development initiative.



