

Departmental Summary	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Requested	2009-10 Adopted	Increase/ (Decrease)
Revenues							
Attributable to Department	\$8,075,450	\$12,124,373	\$8,281,016	\$10,845,216	\$22,791,948	\$22,775,230	\$11,930,014
General Fund Support	844,092	1,475,179	1,736,085	1,722,073	2,056,423	1,819,803	97,730
(To)/From Non-GF Fund Balance	1,800,268	(2,384,887)	624,920	114,153	0	0	(114,153)
Total Revenues	\$10,719,810	\$11,214,665	\$10,642,021	\$12,681,442	\$24,848,371	\$24,595,033	\$12,027,744
Expenditures							
Salaries & Benefits	\$2,965,290	\$3,471,327	\$3,750,117	\$3,894,547	\$4,250,104	\$4,051,278	\$156,731
Supplies & Services	545,495	646,000	941,744	846,448	974,127	937,788	91,340
Other Charges	7,713,098	7,696,142	6,737,157	8,670,373	20,386,092	20,361,382	11,691,009
Fixed Assets	36,793	25,554	5,388	0	4,950	4,950	4,950
Expense Transfer	(540,866)	(624,358)	(792,385)	(729,926)	(766,902)	(760,365)	(30,439)
Total Expenditures	\$10,719,810	\$11,214,665	\$10,642,021	\$12,681,442	\$24,848,371	\$24,595,033	\$11,913,591
Staffing							
Allocated Positions	49.00	57.00	56.00	57.00	57.00	57.00	1.00
Temporary (FTE)	8.46	4.24	5.75	1.50	1.00	0.00	(5.75)
Total Staffing	57.46	61.24	61.75	58.50	58.00	57.00	(4.75)

Community Development Summary

Kirk Girard, Community Development Services Director

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.

Community Development Summary

Kirk Girard, Community Development Services Director

- 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

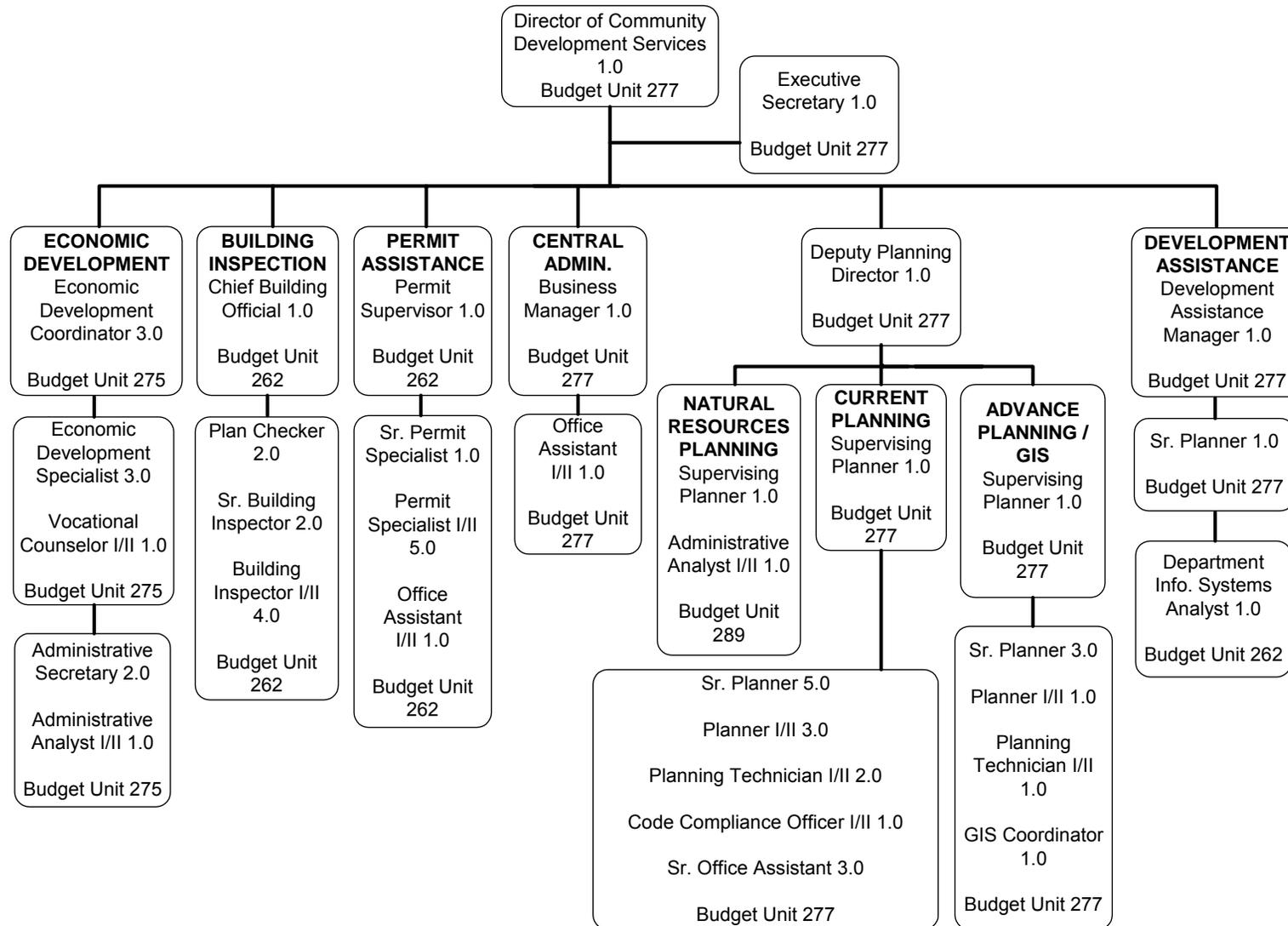
1. Complete the General Plan Update.

Performance Measures

1. <i>Description of Performance Measure: Permit Reform Tasks Completed</i>				
<i>FY 2005-06 Actual</i>	<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Actual</i>	<i>FY 2008-09 Estimated</i>	<i>FY 2009-10 Projected</i>
N/A	25%	50%	80%	100%*
<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 initially identified by the Permit Reform Committee in FY 2007-08. A total of 16 first priority initiatives and 14 second priority initiatives were adopted by the Committee. Ten priority initiatives are considered complete. Four priority 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. Seven second priority issues are considered complete. Two priority initiatives and two second priority initiatives have been started but are not yet complete. The Permit Reform Committee will be reconvening throughout FY 2009-10 to review implementation of the "On-Track" permit processing automation software and to update the roster of candidate reforms.				

2. Description of Performance Measure: Building Permits Issued				
<i>FY 2005-06 Actual</i>	<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Actual</i>	<i>FY 2008-09 Estimated</i>	<i>FY 2009-10 Projected</i>
3798	3693	3420	3050	2690
<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. The number of permits issued for construction of single family homes is falling at a faster rate than building permits overall.				
3. Description of Performance Measure: Planning Permits Processed				
<i>FY 2005-06 Actual</i>	<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Actual</i>	<i>FY 2008-09 Estimated</i>	<i>FY 2009-10 Projected</i>
298	308	246	220	180
<i>Describe why this measure is important and/or what it tells us about the performance of this department:</i>				
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. Permit applications are in a steep downward trend.				
4. Description of Performance Measure: Code Violation Cases Reported and Closed				
<i>FY 2005-06 Actual</i>	<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Actual</i>	<i>FY 2008-09 Estimated</i>	<i>FY 2009-10 Projected</i>
190 open 327 closed	239 open 337 closed	275 open 311 closed	311 open 350 closed	345 350 closed
<i>Describe why this measure is important and/or what it tells us about the performance of this department:</i>				
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).				

Organization Chart:



1100 - General Fund	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Request	2009-10 Adopted	Increase/ (Decrease)
Revenues							
Licenses & Permits	\$993,353	\$1,121,075	\$992,627	\$782,121	\$727,500	\$727,500	(\$54,621)
Charges for Services	9,664	8,862	8,575	38,585	31,277	31,277	(7,308)
Other Revenues	233	87	259,370	60	237,224	237,224	237,164
General Fund Support	176,037	194,497	221,957	604,203	354,282	262,407	(341,796)
Total Revenues	\$1,179,288	\$1,324,522	\$1,482,529	\$1,424,969	\$1,350,283	\$1,258,408	(\$166,561)
Expenditures							
Salaries & Benefits	\$947,790	\$1,088,670	\$1,150,341	\$1,092,008	\$1,050,764	\$988,488	(\$103,520)
Supplies & Services	137,337	151,917	197,899	193,504	176,760	148,246	(45,258)
Other Charges	112,169	118,186	196,881	205,155	163,023	161,938	(43,217)
Fixed Assets	8,782	4,491	1,579	0	0	0	0
Expense Transfer	(26,791)	(38,742)	(64,171)	(65,698)	(40,264)	(40,264)	25,434
Total Expenditures	\$1,179,288	\$1,324,522	\$1,482,529	\$1,424,969	\$1,350,283	\$1,258,408	(\$166,561)
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Allocated Positions	18.00	19.00	18.00	18.00	17.00	17.00	(1.00)
Temporary (FTE)	1.03	0.14	1.00	0.20	0.00	0.00	(0.20)
Total Staffing	19.03	19.14	19.00	18.20	17.00	17.00	(1.20)

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.

Budget Reductions

The FY 2009-10 budget is \$1,260,078, of which \$265,077 comes from General Fund support. This year's budget contains an overall reduction of \$277,283, or 18 percent below the adopted budget of the prior fiscal year.

In addition to the standard budget reductions in workers' compensation, motor pool depreciation, Mailroom and health insurance, Building Inspection has made the following reductions:

- Reduced salary and wages by 15% through a combination of savings accumulated by not filling vacant positions, voluntary employee furloughs and the lay-off of 1.0 FTE Office Assistant I/II.
- Extra-help funding has been reduced resulting in a savings of approximately \$13,500
- 13% reduction across all departmental travel accounts

Decline in Construction and Housing Starts

The collapse of the housing market has led to a sharp decrease in revenue for the Building Inspection Division. The number of building permits issued for single-family residential construction has declined from 307 in calendar year 2005 to 165 permits in 2008. This downward trend is anticipated to continue in 2009. Historically, 85% of the Division's operating costs have been covered by building permit fees. Even with significant costs reductions, staffing reductions and fee increases, the low volume of construction activity makes this percentage of cost recovery unattainable. Because of these factors, this year's budget recommends more than 15% General Fund support.

Building Inspection Trust Fund

Revenues in excess of the amount needed for current-year expenditures are placed in a Building Division Trust Fund as a hedge against low-revenue years. The Building Inspection Trust Fund has been depleted to cover operating costs, forestall fee increases and pay for Clark complex remodeling costs. Based on anticipated draw-downs to cover operating costs, the Building Inspection Division Trust Fund will be at a zero balance after the first quarter of FY 2009-10.

Program Discussion

The workload of the Building Inspection Division consists of four primary program areas: Inspection and Violations, Permit Processing, Plan Checking, and Public Information.

Inspection & Violations

A major function of the Building Inspection Division is field inspections. 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 Division site inspections, 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. With over 3,500 square miles in Humboldt County, inspectors average over 100 miles of driving and six inspections daily.

Permit Processing

Permit Specialists process building permit applications, interpret zoning regulations, and verify completeness of applications. Permit Specialists determine and apply appropriate regulations for each proposed project from a variety of planning and building regulations, codes, and

ordinances. Each Permit Specialist averages approximately 20 customer encounters per day, including email, telephone and personal contact. These staff members are responsible for meeting with both the permit applicants and the general public to advise them of permit application requirements, review submitted applications, obtain the required approvals from outside departments and agencies, calculate permit fees, and determine fees applicable to 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 Division of the Health and Human Services Department, the Real Property Division of the Public Works Department, and the Planning Division. The Building Inspections Division also collects special drainage fees on behalf of the Public Works Department. Additionally, the Building Inspections Division collects development impact 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 Check* 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 outsourced to one of several private-sector firms for review.

Code Enforcement

Building and Planning code enforcement is now managed by the Building Inspection Division. The unit consists of two staff members that respond to public complaints and resolve code violations.

Public Information

Public information is provided by all staff members, covering a wide variety of information for multiple departments and agencies.

Permit Reform Efforts

Under the guidance of the County Permit Reform Committee, the Building Inspection Division has implemented numerous customer service improvements. The Divisions new “On-Track” computer software permit processing system is the most recently implemented and significant reform. The system automates multiple permit processing steps and, when complete, will join Environmental Health, Public Works, Planning and the Building Inspection Division into a central permit processing and public information platform.

Supplemental Requests

A supplemental request was submitted for \$45,963 in order to prevent the lay-off of 1.0 FTE in budget unit 262. This request will not be funded.

This request was not adopted for funding due to the necessary expenditure reductions necessary to match actual revenue in order to balance the General Fund. The Board of Supervisors approved lay-off due to workload reduction on June 2, 2009.

2008-09 Accomplishments

1. Implemented a front counter “express lane” to expedite service to customers that can be served within several minutes.

2. Developed and launched new “On-Track” permitting software system.
3. Completed review of pre-approved secondary dwelling unit plans to 2007 California Building Codes and posted copies to website.
4. Initiated “Notice of Violation” program to provide constructive notice of outstanding violations against a property.
5. Raised fees to increase revenue and decreased operating costs 10% over the FY 2007-08.

2009-10 Objectives

1. To complete training and increase proficiency with new permitting software system, and expand the system to other Divisions.
2. To update on-line customer handouts.
3. To complete on-line application packets for building permits.
4. To purge, consolidate and reorganize archived basement permit files.
5. To review fees for possible increase to enhance revenue and reduce trust fund depletion.



1120 - Economic Development Fund	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Request	2009-10 Adopted	Increase/ (Decrease)
Revenues							
Other Gov't Agencies	\$3,178,017	\$6,295,132	\$1,093,708	\$1,354,768	\$5,757,243	\$5,749,870	\$4,395,102
Charges for Services	0	0	0	0	5,000	5,000	5,000
Other Revenues	70,770	10,080	14,848	5,009	20,000	20,000	14,991
(To)/From Non-GF Fund Balance	1,467,006	(2,078,394)	564,872	187,700	0	0	(187,700)
Total Revenues	\$4,715,792	\$4,226,818	\$1,673,428	\$1,547,477	\$5,782,243	\$5,774,870	\$4,227,393
Expenditures							
Salaries & Benefits	\$487,275	\$518,441	\$638,480	\$688,518	\$879,351	\$868,350	\$179,832
Supplies & Services	99,732	75,878	69,785	79,740	92,375	89,713	9,973
Other Charges	4,491,177	4,015,677	1,476,026	1,233,639	5,305,517	5,305,270	4,071,631
Fixed Assets	3,027	1,465	0	0	0	0	0
Expense Transfer	(365,419)	(384,643)	(510,863)	(454,420)	(495,000)	(488,463)	(34,043)
Total Expenditures	\$4,715,792	\$4,226,818	\$1,673,428	\$1,547,477	\$5,782,243	\$5,774,870	\$4,227,393
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Allocated Positions	6.00	9.00	9.00	10.00	11.00	11.00	1.00
Temporary (FTE)	3.72	3.10	2.00	1.50	0.00	0.00	(1.50)
Total Staffing	9.72	12.10	11.00	11.50	11.00	11.00	(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.

Budget Reductions

As a result of increases in Community Development Block Grants, HOME Grants and others, the budget is expected to increase by over \$4.2 million when compared to the prior fiscal year.

However, budget reductions were made. In addition to the standard budget reductions in workers' compensation, motor pool depreciation, Mailroom services and health insurance, the Economic Development Division has made the following reduction:

- Extra-help is unfunded resulting in a savings of approximately \$50,000

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 the 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 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 writing, 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 Trust Fund.

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 four key focus areas in Economic Development in FY 2009-10: (1) working regionally with emerging industry clusters; (2) aligning workforce with growing base industries; (3) affordable housing; and (4) infrastructure planning.

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

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

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 21% 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. 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.

2008-09 Accomplishments

1. Collaborated with Trinity County, Humboldt State University and others to produce three key reports that support building an alternative fiber optic line and service delivery to the communities along the highway 299 corridor from Humboldt to the fiber backbone on the I-5 corridor within the next three years.
2. Facilitated development of Humboldt County branding for several industry clusters.

3. Completed a study to put a wastewater system in Willow Creek and Broadband access through Trinity County.
4. Provided funding for rehabilitation of 8 owner-occupied homes, and to assist 3 first time homebuyers buy their first homes. Completed a Feasibility Study to use a county owned property for affordable housing and a Study to determine the feasibility of starting an Affordable Housing Trust Fund.
5. Wrote grants, and received funding for a variety of studies and projects; issued 17 contracts to implement these projects, totaling over \$800,000.
6. Provided micro-enterprise assistance to 76 businesses, creating 35 new jobs.

2009-10 Objectives

1. To increase affordable housing options for residents through multiple housing programs including the development of the Aster Place apartment complex.
2. To fund a variety of studies to improve infrastructure in support of business including the Orick levee evaluation and Orick wastewater system design.

Economic Development (1120 275)

Kirk Girard, Community Development Services Director

3. To provide technical assistance and loans to businesses to expand through Community Development Block Grant programs.
4. To build regional capacity for promotion of economic development and assist regional industries to identify and implement key initiatives for business, job and wage recovery and growth in the region.
5. To assist land owners in the characterization, clean-up and redevelopment of brownfield sites.



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 Actual	2009-10 Request	2009-10 Adopted	Increase/ (Decrease)
Revenues							
Other Revenues	\$341,819	\$310,955	\$96,977	\$120,425	\$189,450	\$187,503	\$67,078
(To)/From Non-GF Fund Balance	74,571	(74,571)	67	652	0	0	(652)
Total Revenues	\$416,390	\$236,384	\$97,044	\$121,077	\$189,450	\$187,503	\$66,426
Expenditures							
Supplies & Services	\$5,341	\$1,332	\$2,830	\$17,812	\$20,700	\$20,700	\$2,888
Other Charges	411,049	235,052	93,046	103,265	168,750	166,803	63,538
Fixed Assets	0	0	1,168	0	0	0	0
Total Expenditures	\$416,390	\$236,384	\$97,044	\$121,077	\$189,450	\$187,503	\$66,426
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Allocated Positions	0.00	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	0.00
Total Staffing	0.00	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 Board and, ultimately, the Board of Supervisors, oversee the Headwaters Fund unit. Staff is funded in Economic Development budget unit 275, with transfers made to cover costs attributable to Headwaters activity.

Budget Reductions

Standard budget reductions in workers' compensation, motor pool depreciation, Mailroom services and health insurance do not apply to this budget unit.

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

The Headwaters Fund board and staff are working on opportunities for proactive grant making in the areas of quality workforce, transportation, business climate and leverage for community infrastructure funding. These and other initiatives are more fully outlined in the Headwaters Fund Annual Report, available through the Economic Division or the Headwaters Fund Board website.

2008-09 Accomplishments

1. Worked with Redwood Regional Economic Development Commission and Arcata Economic Development Commission to provide \$831,500 in loan funding for local businesses. These loans retained 22 jobs and created 66 new jobs.
2. Committed \$290,723 to help facilitate community projects. These grant funds leveraged over \$775,000 in matching funds:
 - Simulation center for training medical professionals (\$146,000)
 - Marketing and human resources support for businesses (\$71,850)
 - Support for dairies to effectively use manure as fertilizer (\$51,144)
 - Local produce distribution network (\$21,729)

3. Committed \$1,225,000 from the CIF for infrastructure projects:
 - Grant for a flake ice plant for the local fishing industry (\$500,000)
 - Loan to the Arcata/Eureka airport allowed the airport to access an additional \$8.7 million in federal funding to comply with FAA standards for runway safety (\$515,000)
 - Loan to Kimtu Meadows Water District will provide funding for the pre-development work to access state grant funding to provide safe drinking water (\$100,000)
4. Launched the following efforts to under the new Grant Fund Initiative as a proactive strategy:
 - Developing programs for workforce and continuing education for high school graduates through the P-16 Council.
 - New loan products in development include:
 - Small landowners to put their land under a non-industrial timber management plan;
 - On-bill financing program for homeowners to install solar energy systems; and
 - Small water districts for predevelopment costs necessary to access grant funds that will pay for upgrades (one loan to date, second application received).
5. Upgraded the following structures to better inform and serve the public:

- Headwaters website was re-designed to provide the public with greater and more current access to information about ongoing projects.
- Grant reporting system re-structured to provide for easier tracking and collection of measurable outcomes from grantees.
- Staff conducted outreach to raise the profile of the fund resulting in the most competitive grant round to date, and the most Community Investment Fund projects funded in a fiscal year.

2009-10 Objectives

1. To work with RREDC and AEDC to provide \$500,000 in loan funding for local businesses.
2. To make Grant Fund awards of at least \$200,000 to priority projects.
3. To continue to identify lending and granting opportunities within the CIF, making at least one new loan and one new grant.
4. To make at least one grant award in the new Grant Initiative areas of workforce development and supporting entrepreneurship and innovation.
5. To begin making loans in one of the new loan project areas of either AB 811 solar installation loans or timber harvest plan loans.

1100 - General Fund	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Request	2009-10 Adopted	Increase/ (Decrease)
Revenues							
Other Govt'l Agencies	\$0	\$36,293	\$1,730,312	\$4,731,539	\$10,537,735	\$10,535,073	\$5,803,534
General Fund Support	0	102,178	363,096	(341,425)	0	0	341,425
Total Revenues	\$0	\$138,472	\$2,093,408	\$4,390,114	\$10,537,735	\$10,535,073	\$6,144,959
Expenditures							
Salaries & Benefits	\$0	\$0	\$92,814	\$148,769	\$162,031	\$159,941	\$11,172
Supplies & Services	0	72,013	211,946	106,691	55,700	55,168	(51,523)
Other Charges	0	66,459	1,786,007	4,134,654	10,320,004	10,319,964	6,185,310
Fixed Assets	0	0	2,641	0	0	0	0
Total Expenditures	\$0	\$138,472	\$2,093,408	\$4,390,114	\$10,537,735	\$10,535,073	\$6,144,959
<hr/>							
Allocated Positions	0.00	0.00	2.00	2.00	2.00	2.00	0.00
Temporary (FTE)	0.00	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	0.00

Purpose

The purpose of the Natural Resources Planning 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 entirely grant funded and conducts its work through discrete water, environmental restoration, and habitat conservation projects.

Budget Reductions

In addition to the standard budget reductions in workers' compensation, motor pool depreciation, Mailroom services and health insurance, the Natural Resources Planning budget has made the following reductions:

- Reduced out of county transportation by 70%
- Reduced equipment related office expense by 50%

Program Discussion

The Natural Resources Planning Division was formed in October 2005. 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 for Round 1 of this funding 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 Plan (NCIRWMP) group, also called the North Coast Region. This group received a \$500,000 Planning Grant administered by the Department of Water Resources, a \$24.8 million Prop 50 Round 1 Implementation Grant and a \$2.5 million Prop 50 Round 2 Implementation Grant, both of which are administered by the State Water Resources Control Board.

The Proposition 50 Planning Grant funds 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 Grants, twenty-five component projects addressing water supply, water quality and watershed restoration are being conducted throughout the Region.

The County of Humboldt, through the Natural Resources Planning Division, acts on behalf of the regional partnership as the Regional Manager for both the Planning and Implementation grants.

2008-09 Accomplishments

1. Completed Water Resources Element for the County of Humboldt General Plan Update.
2. Sponsored a community based Groundwater Management Planning effort in the Upper Mattole watershed in partnership with Sanctuary Forest.
3. Attained \$2.5 million award in Proposition 50 Round 2 Implementation funding for four coastal projects.
4. Initiated construction of eight component projects under the Proposition 50 implementation program. Three of these projects are over 75% complete.
5. Obtained “exempted” status from the California Department of Finance for the Proposition 50 North Coast Integrated Regional Water Management Implementation program to ensure continuation of bond funding and payments to sub-contractors.

2009-10 Objective

1. To work with Proposition 50 Sub-Grantees to expend 60% of the Proposition 50 Implementation Grant consistent with state and contract requirements.
2. To finalize and execute a grant agreement for the Proposition 50 Round 2 Implementation.
3. To obtain certification of the North Coast Integrated Regional Water Management Plan through the Department of Water Resources Regional Acceptance Process.
4. To obtain Disadvantage Community grant funding to assist small water and wastewater service providers in the North Coast region.
5. 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 Actual	2009-10 Request	2009-10 Adopted	Increase/ (Decrease)
Revenues							
Other Govt'l Agencies	\$146,212	(\$264,597)	\$120,250	\$125,920	\$148,660	\$148,660	\$22,740
Charges for Services	867,593	1,271,409	249,889	436,955	586,217	586,217	149,262
Other Revenues	1,603	1,243	727,196	319,911	256,800	256,800	(63,111)
General Fund Support	662,289	1,178,503	1,151,032	1,459,295	1,702,141	1,557,396	98,101
Total Revenues	\$1,677,697	\$2,186,558	\$2,248,367	\$2,342,081	\$2,693,818	\$2,549,073	\$206,992
Expenditures							
Salaries & Benefits	\$1,530,225	\$1,864,215	\$1,868,482	\$1,949,181	\$2,157,958	\$2,034,499	\$85,318
Supplies & Services	168,433	309,079	440,484	432,630	591,042	586,557	153,927
Other Charges	90,671	194,638	156,752	170,078	176,456	159,655	(10,423)
Fixed Assets	24,984	19,598	0	0	0	0	0
Expense Transfer	(136,616)	(200,973)	(217,351)	(209,808)	(231,638)	(231,638)	(21,830)
Total Expenditures	\$1,677,697	\$2,186,558	\$2,248,367	\$2,342,081	\$2,693,818	\$2,549,073	\$206,992
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Allocated Positions	25.00	29.00	27.00	27.00	27.00	27.00	0.00
Temporary (FTE)	3.71	1.00	2.75	0.00	1.00	0.00	0.00
Total Staffing	28.71	30.00	29.75	27.00	28.00	27.00	0.00

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.

Budget Reductions

In addition to the standard budget reductions in workers' compensation, motor pool depreciation, Mailroom services and health insurance, Planning has made the following reductions:

- Salary savings of \$155,010 derived through vacant positions, voluntary furloughs and the lay-off of 1.0 FTE Office Assistant I/II and 1.0 FTE Senior Office Assistant.

- Reduced transportation and travel by approximately 25%

Decline in Permit Activity

Due to economic conditions, planning permit activity declined more than 23% in 2008 from 2006 permitting levels and is continuing downward. The decline has reduced billable staff workloads and Current Planning Division revenue. A cost reduction and revenue development program is being implemented in order to attain a balanced budget with the significantly reduced level of permit activity.

Planning Division Trust Funds

Permit fees provide the majority of revenue for Current Planning. Revenues in excess of the amount needed for current-year expenditures are placed in a Current Planning Trust Fund as a hedge against low-revenue years. The Current Planning Trust has been depleted over the last three years due to decreased permit revenue, the permit reform initiative, and Williamson Act code enforcement cases.

Advance Planning also has a trust fund derived from valuation fees on construction permits and GIS product sales. The Advance Planning Trust Fund has also been depleted due to reduced grant revenues and declining Advanced Planning User Fees. At the same time expenditures on the General Plan Update have risen now that the General Plan Update is going

through the final public hearing process. The Advance Planning Trust Fund will have a balance of \$130,000 as of June 30, 2009. Because of these factors, the Division, despite reduced funding overall, is requiring a greatly increased General Fund Contribution.

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. In addition, Current Planning provides public information, reviews building applications and business licenses, and assigns addresses and street names.

Development Assistance Section

The Development Assistance Division was formed in FY 2007-08 on the recommendation of the Permit Reform Committee. The Division has four service goals: 1) Development Services; 2) Reform Services; 3) Outreach and Information Services; and 4) Customer Satisfaction.

Development Services are customized, fee-based services for customers seeking assistance from the Department.

Development Services include the Project Facilitation program through which customers get professional assistance generating complete application materials, such as plot plans, as well as receiving assistance completing permit conditions of approval. Development Services also includes the Expedited Permit Program (E+). Additionally, the section is responsible for responding to, and assisting with, business license referrals.

Reform Services 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. The priority initiative under the Reform Services goal is the deployment of enterprise software to the Building and Planning Divisions, as well as Land Use Division of the Public Works Department and Environmental Health Division of the Health and Human Services Department. The first phase of the software launched in the Building Division on March 20, 2009.

The purpose of the Outreach and Information Services goal is to educate and inform our customers regarding development services and permit 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 expanding the accessibility of information online.

The section is also responsible for tracking customer satisfaction. This is done in real-time through a customer feedback system and a Director's welcome letter. Long-term

trends are tracked through a biennial customer satisfaction survey. The survey has been conducted twice and a third survey is currently in progress. The survey tracks nine attributes across two demographics for the Building and Planning Divisions.

Advance 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 community outreach support and public information services 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 manages a General Plan implementation grant program.

Advance Planning will be managing three distinct program initiatives in FY 2009-10:

General Plan Update – The primary focus of the Advance Planning section during FY 2009-10 will be completion of the County's General Plan and Housing Element Updates. The Board-approved schedule for the project calls for the Planning Commission to conclude its public hearings on the draft of the General Plan and EIR in October 2009.

This will be followed by the Board of Supervisors' public hearings, scheduled to take place from November 2009 through February 2010. Final adoption of the General Plan is scheduled for April 2010.

GIS and Technical Support – The GIS Group provides services to the Department, other County Departments, and to the general public. 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 2009-10. The GIS Group is also updating County reference maps and supporting the Current Planning Division in permit application support mapping.

General Plan Implementation Grant Program – This Program includes managing the countywide Fire Plan implementation effort, the countywide Conservation Easement program, Williamson Act Preserve program, and pursuing related grant program opportunities. This Program will also be responsible for preparing ordinances necessary for Housing Element, and General Plan update implementation.

Supplemental Requests

The following supplemental requests have been submitted:

A request was submitted for \$89,877 in order to prevent the lay-off of 2.0 FTEs in budget unit 277. This request was not adopted for funding. The Board approved the lay-offs on June 2, 2009.

A request was submitted for \$40,000 in order to restore needed extra-help staff. This request is not recommended for funding.

These requests are not recommended for funding due to the necessary expenditure reductions necessary to match actual revenue in order to balance the General Fund.

2008-09 Accomplishments

1. Implemented the following Permit Reform Committee recommendations:
 - Customer service training program
 - GIS mapping capability in current planning
Regional planning staff assignments
 - Formed Regional Planning Workgroups
 - Reformatted Planning Commission Reports and Agenda
 - Updated application process guides
 - Customer service feedback system
 - On-Track permit status service
 - Customer service express lane.
2. Completed the following Department reorganization objectives:
 - Staffed the Development Assistance Division
 - Centralized Department administrative services (personnel, budgeting, accounts receivable and payable and purchasing)
 - Re-organized Advanced Planning Division

- Formed General Plan Implementation Group
 - Transferred Code Enforcement Group to Building Division.
3. Published County-wide GIS System to the Internet.
 4. Instituted the following administrative changes:
 - Board of Supervisors Staff Report Quality Assurance process
 - Employee and supervisor communication and evaluation program
 - Internalized CHERT and SMARA billing
 5. Performed self-audit of the SMARA Program and Prepared Supplemental PEIR for Mad River Gravel Extraction.
 6. Published Planning Commission Hearing Draft of the General Plan Update and initiated Planning Commission hearings.

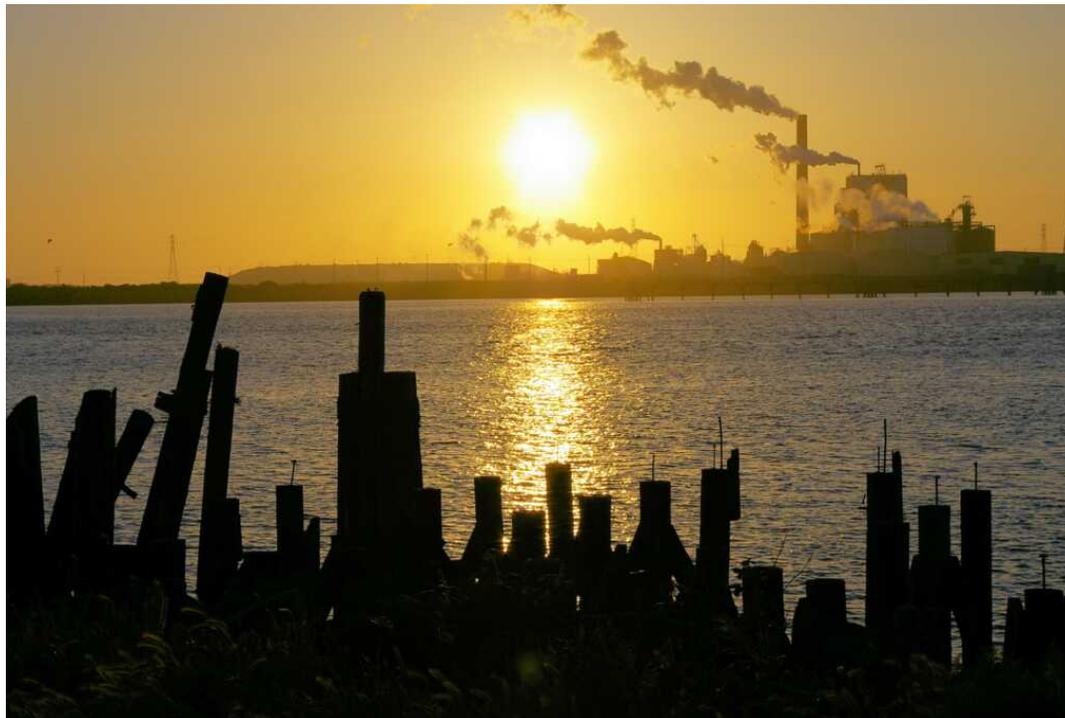
2009-10 Objectives

1. To continue the General Plan Update hearing processes and prepare Board of Supervisor Hearing Draft.
2. To complete remaining Permit Reform Committee initiatives including disseminating “On-Track” permit

Planning Division (1100 277)

Kirk Girard, Community Development Services Director

- software system to Current Planning, Environmental Health and Public Works Divisions.
3. To expand General Plan implementation grant funding and capabilities.
 4. To address Planning Division's revenue shortfalls and budget deficits with Three Year Budget Action Plan.
 5. To develop Williamson Act and Map Act compliance and enforcement program.
 6. To complete implementation of the Department's 2008-2010 Strategic Plan.



1120 - Economic Development Fund	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Request	2009-10 Adopted	Increase/ (Decrease)
Revenues							
Other Govt'l Agencies	\$2,442,264	\$3,016,691	\$2,978,388	\$2,929,923	\$4,294,842	\$4,290,106	\$1,360,183
Charges for Services	0	0	8,876	0	0	0	0
(To)/From Non-GF Fund Balance	3,639	10,935	59,981	(90,270)	0	0	90,270
Total Revenues	\$2,445,903	\$3,027,626	\$3,047,245	\$2,839,653	\$4,294,842	\$4,290,106	\$1,450,453
Expenditures							
Supplies & Services	\$13,330	\$12,610	\$18,800	\$16,071	\$37,550	\$37,404	\$21,333
Other Charges	2,444,614	3,015,015	3,028,445	2,823,582	4,252,342	4,247,752	1,424,170
Fixed Assets	0	0	0	0	4,950	4,950	4,950
Expense Transfer	(12,040)	0	0	0	0	0	0
Total Expenditures	\$2,445,903	\$3,027,626	\$3,047,245	\$2,839,653	\$4,294,842	\$4,290,106	\$1,450,453
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Allocated Positions	0.00	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	0.00
Total Staffing	0.00	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.

For FY 2009-10, stimulus funding through the American Recovery and Reinvestment Act and other grant awards will result in a large increase in Workforce Investment Act funding for adult and youth programs and in workforce development programs.

Budget Reductions/ Increases

Motor pool depreciation is the only standard budget reduction that applies to 287. Overall, expenditures are increasing by \$1,450,000 due to additional youth and adult Federal Stimulus grant revenue.

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.

- For *workers* and *job seekers* that encourage good matches with employer needs, lifelong learning and technical skills improvement for local industries and employers.
- For *dislocated workers* and *long-term unemployed workers* that utilize retraining and re-employment services.
- For *at-risk youth* that 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 *Targets of Opportunity* report 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

A follow-up report, *Occupations of Opportunity*, lays out the careers, skill sets, and training needed to meet the Target industry labor needs. These reports form 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.

2008-09 Accomplishments

1. Produced *Occupations of Opportunity*, a report about the careers, skill sets and training needed in the Target industries and the region.
2. Disseminated the *Targets* and *Occupations* reports through hundreds of presentations to nearly 4,000 people around the region.

3. Developed tools for employers, vocational counselors and job seekers to apply Occupations of Opportunity information to career choices.
4. Wrote and received a \$2.5 million Community-Based Job Training Grant award from the US Department of Labor to implement the Redwood Coast Training for Opportunity project, 12 new training programs at the College of the Redwoods to deliver workforce for the Target industries.
5. Put in place the StepUP for Youth Jobs program to assist employers and youth to have mutually meaningful work experiences.

2009-10 Objectives

1. To utilize the StepUP for Youth Jobs program to employ at least 200 youth in meaningful summer work

- experience with American Recovery and Reinvestment Act funding.
2. To swiftly implement an effective program for adults and dislocated workers with American Recovery and Reinvestment Act funding.
3. To inform the public of key trends and needs in the labor market.
4. To secure funding that enhances our ability to collaborate regionally, launch strategic initiatives and assist dislocated workers to transition into expanding industries.
5. To implement the Redwood Coast Training for Opportunity Program with College of the Redwoods.