

Community Development Summary

Kirk Girard, Community Development Services Director

1100 - General Fund	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Request	2010-11 Adopted	Increase/ (Decrease)
Revenues							
Attributable to Department	\$12,124,373	\$8,281,016	\$10,845,216	\$10,677,272	\$23,738,305	\$23,836,170	\$13,158,898
General Fund Support	1,475,179	1,736,085	1,722,073	2,088,885	2,267,290	1,755,705	(333,180)
(To)/From Non GF Fund Balance	(2,384,887)	624,920	114,153	968,227	0	0	(968,227)
Total Revenues	\$11,214,665	\$10,642,021	\$12,681,442	\$13,734,384	\$26,005,595	\$25,591,875	\$11,857,491
Expenditures							
Salaries & Benefits	\$3,471,327	\$3,750,117	\$3,894,547	\$3,751,287	\$4,558,824	\$4,264,333	\$513,046
Supplies & Services	646,000	941,744	846,448	1,018,607	1,148,352	1,029,123	10,516
Other Charges	7,696,142	6,737,157	8,670,373	9,843,584	21,403,612	21,403,612	11,560,028
Fixed Assets	25,554	5,388	0	8,200	5,350	5,350	(2,850)
Expense Transfer	(624,358)	(792,385)	(729,926)	(887,294)	(1,110,543)	(1,110,543)	(223,249)
Total Expenditures	\$11,214,665	\$10,642,021	\$12,681,442	\$13,734,384	\$26,005,595	\$25,591,875	\$11,857,491
<hr/>							
Allocated Positions	57.00	56.00	59.00	57.00	57.00	57.00	0.00
Temporary (FTE)	4.24	5.75	1.50	2.50	2.75	2.75	0.25
Total Staffing	61.24	61.75	60.50	59.50	59.75	59.75	0.25

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

Current Planning Division

- 1100 277 Current Planning

Advance Planning Division

- 1100 282 Advance Planning

Workforce Investment

- 1120 287 Workforce Investment

Mission

Under the leadership of the Board of Supervisors, we work to enhance our communities in order to improve the quality of life for the residents of Humboldt County.

We are determined to make our organization a source of pride for ourselves and the residents of Humboldt County by:

- Understanding our customers' expectations.
- Delivering professional and helpful service.
- Timely performance of duties.
- Solving problems creatively.
- Diligently managing expenses.
- Being consistent and following the law.
- Developing productive relationships.

- Increasing resident's participation in community development.
- Positively representing the interests of our communities.

Goals

1. Complete the General Plan Update.
2. Improve the permit process.
3. Expand the economy and increase housing opportunities.
4. Develop community infrastructure and services.
5. Enhance natural resources and mitigate climate change.

Performance Measures

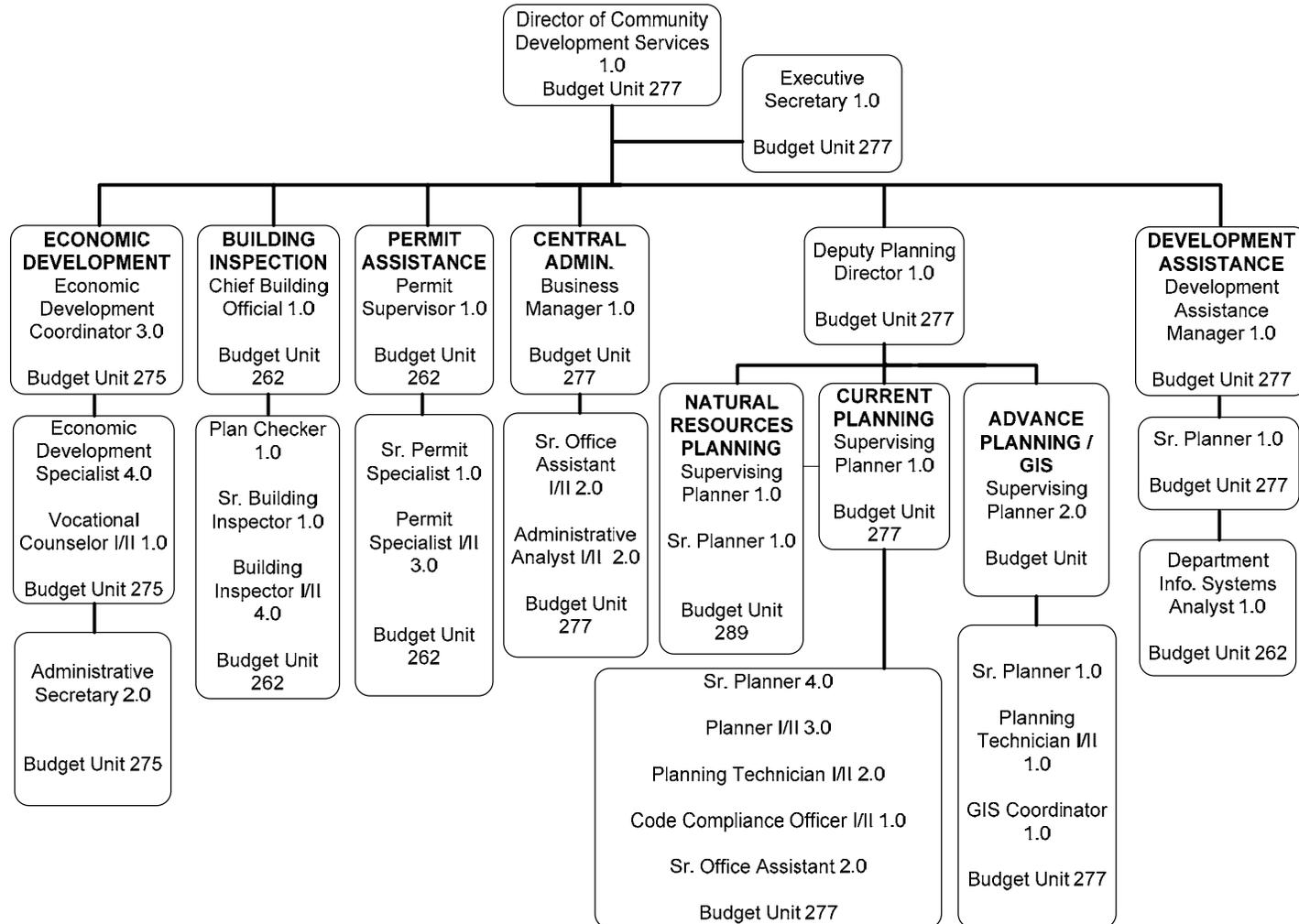
1. <i>Description of Performance Measure:</i> Permit Reform Tasks Completed				
<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Actual</i>	<i>FY 2008-09 Actual</i>	<i>FY 2009-10 Estimated</i>	<i>FY 2010-11 Projected</i>
25%	50%	80%	90%	100%*
<i>Describe why this measure is important and/or what it tells us about 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. Twelve priority initiatives are considered complete. Two 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. Eight second priority issues are considered complete. One priority initiative and two second priority initiatives have been started but are not yet complete. The Permit Reform Committee will reconvene in FY 2010-11 to review implementation of the “On-Track” permit processing automation software and to update the roster of candidate reforms.				
2. <i>Description of Performance Measure:</i> Building Permits Issued				
<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Actual</i>	<i>FY 2008-09 Actual</i>	<i>FY 2009-10 Estimated</i>	<i>FY 2010-11 Projected</i>
3693	3420	3050	2100	2500
<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.				

Community Development Summary

Kirk Girard, Community Development Services Director

3. <i>Description of Performance Measure: Planning Permits Processed</i>				
<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Actual</i>	<i>FY 2008-09 Actual</i>	<i>FY 2009-10 Estimated</i>	<i>FY 2010-11 Projected</i>
308	246	220	180	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. <i>Description of Performance Measure: Code Violation Cases Reported and Closed</i>				
<i>FY 2006-07 Actual</i>	<i>FY 2007-08 Actual</i>	<i>FY 2008-09 Actual</i>	<i>FY 2009-10 Estimated</i>	<i>FY 2010-11 Projected</i>
239 open 337 closed	275 open 311 closed	311 open 350 closed	400 300 closed	425 350 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	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Request	2010-11 Adopted	Increase/ (Decrease)
Revenues							
Licenses & Permits	\$0	\$0	\$0	\$0	\$140,000	\$140,000	\$140,000
Other Gov't Agencies	0	0	0	0	30,000	30,000	30,000
General Fund Support	0	0	0	0	465,371	330,276	330,276
Total Revenues	\$0	\$0	\$0	\$0	\$635,371	\$500,276	\$500,276
Expenditures							
Salaries & Benefits	\$0	\$0	\$0	\$0	\$344,815	\$347,355	\$347,355
Supplies & Services	0	0	0	0	120,015	31,613	31,613
Other Charges	0	0	0	0	170,541	170,541	170,541
Total Expenditures	\$0	\$0	\$0	\$0	\$635,371	\$500,276	\$500,276
<hr/>							
Allocated Positions	0.00	0.00	0.00	0.00	5.00	5.00	5.00
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	5.00	5.00	5.00

Purpose

The purpose of the Advance Planning Division is to prepare long-range planning documents and develop programs to accomplish planning objectives. Planning documents set development policies that determine the nature of future development.

CAO Recommendations

Advanced Planning is a new budget unit and is the result of splitting Planning into two Divisions, Advanced and Current Planning. The net General Fund contribution was split between the two budget units and will be reduced in Advance Planning by 15%. The Division proposes to achieve the reduction by holding 1.0 FTE GIS Coordinator position vacant for a budget reduction of approximately \$75,030. Five positions were moved from Planning (277) to the new budget unit Advanced Planning (282).

Board Adopted

The Board adopted this budget as recommended by the CAO.

Program Discussion

The Advance Planning Division has historically been a part of a combined Current Planning, Advance Planning and Development Assistance budget unit (277). As part of the

Department's Three Year Budget Action Plan, Advanced Planning will be a stand alone budget unit. Separation of the Divisions into distinct budget units will improve management control and oversight of revenue and expenses in both Divisions.

The Advance Planning team 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.

The Advance Planning Division will be managing three distinct program initiatives in FY 2010-11:

General Plan Update – The primary focus of the Advance Planning Division during FY 2010-11 will be the completion of the County's General Plan Update and implementation of Housing Element programs. This includes the preparation and final adoption of an Environmental Impact Report (EIR) for the Hearing Draft General Plan. It is anticipated that the Planning Commission will conclude its public hearings on the Hearing Draft and EIR in October 2010. This will be followed by the Board of Supervisors' public hearings, scheduled to take place from November 2010 through February 2011. Final adoption of the General Plan is scheduled for April 2011. This timeline

is subject to Board approval and modification.

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 2010-11. 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 Conservation Easement program, Williamson Act Preserve program, Blue Print Planning support and pursuing related grant program opportunities. This Program will also be responsible for preparing ordinances necessary for Housing Element and General Plan update implementation.

2009-10 Accomplishments

1. Adopted the County Housing Element and EIR.
2. Continued public hearings with the Planning Commission on the General Plan Hearing Draft.
3. Continued implementation of the Conservation Easement Support Program which resulted in program support for the establishment of three forestland easements, one dairy farm conservation easement, two

coastal access easements and establishment of four new Williamson Act Preserves.

4. Continued implementation of the Humboldt County Master Fire Protection Plan under the guidance of the Humboldt County Fire Safe Council.
5. Assisted in the establishment of the Redwood Waters Resources Network, an organization of water and wastewater services providers.

2010-11 Objectives

1. To complete the General Plan Update hearing processes with the Planning Commission and prepare Board of Supervisors' Hearing Draft for final adoption.
2. To implement high priority Housing Element program objectives.
3. To expand General Plan implementation grant funding and capabilities.
4. To develop and implement a Geographic Information Systems marketing program.
5. To prepare General Plan Update implementation.

1100 - General Fund	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Request	2010-11 Adopted	Increase/ (Decrease)
Revenues							
Licenses & Permits	\$1,121,075	\$992,627	\$782,121	\$858,444	\$865,000	\$884,217	\$156,717
Charges for Services	8,862	8,575	38,585	44,767	32,100	32,100	823
Other Revenues	87	259,370	390,518	113,769	8,405	8,405	(105,364)
General Fund Support	194,498	221,957	213,745	267,897	368,363	349,146	81,249
Total Revenues	\$1,324,522	\$1,482,529	\$1,424,969	\$1,284,877	\$1,273,868	\$1,273,868	(\$11,009)
Expenditures							
Salaries & Benefits	\$1,088,670	\$1,150,341	\$1,092,008	\$1,008,284	\$1,096,333	\$1,096,333	\$107,845
Supplies & Services	151,917	197,899	193,504	154,982	128,431	128,431	(19,815)
Other Charges	118,186	196,881	205,155	161,875	157,169	157,169	(4,769)
Fixed Assets	4,491	1,579	0	0	0	0	0
Expense Transfer	(38,742)	(64,171)	(65,698)	(40,264)	(108,065)	(108,065)	(67,801)
Total Expenditures	\$1,324,522	\$1,482,529	\$1,424,969	\$1,284,877	\$1,273,868	\$1,273,868	(\$11,009)
<hr/>							
Allocated Positions	19.00	18.00	18.00	18.00	13.00	0.00	(18.00)
Temporary (FTE)	0.14	1.00	0.20	0.20	0.30	0.00	(0.20)
Total Staffing	19.14	19.00	18.20	18.20	13.30	0.00	(18.20)

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.

CAO Recommendations

The total Building Inspection budget is \$1,273,085, and of this amount \$301,137 comes from the General Fund. The recommended budget reduction for the General Fund portion of the budget is 20% net of increased salary and benefit expenses. Reductions implemented in FY 2009-10 will continue into FY 2010-10. These include holding four positions vacant. The positions are 1.0 FTE Plan Checker, 2.0 FTE Permit Specialists and 1 FTE Senior Building Inspector. Permit revenues are estimated to increase by 6% from current year actuals due to increased fees and volume.

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 has declined from 3,798 in FY 2005-06 to an estimated 2,100 in FY 2009-10. A slight increase is projected for next fiscal year. 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 2010-11.

Board Adopted

The Board adopted this budget as recommended by the CAO.

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, Ferndale Unified School District and Humboldt Fire District 1.

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 Division's 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.

2009-10 Accomplishments

1. Implemented "On-Track" permit process software.
2. Updated select applicant guides.
3. Purged, consolidated and reorganized archived basement permit files.
4. Adjusted fees to enhance revenue and reduce trust fund depletion.
5. Attained acceptable ISO Insurance Rating for County building permit and inspection process.

2010-11 Objectives

1. To complete customer portal in OnTrack permitting system.
2. To evaluate use of permit coupons for minor permits issued to licensed contractors.
3. To complete training in new construction codes.
4. To establish Accessibility Specialist within Building Division.
5. To complete update of Building Division applicant guides.

1100 - General Fund	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Request	2010-11 Adopted	Increase/ (Decrease)
Revenues							
Other Govt'l Agencies	(\$264,597)	\$120,250	\$148,660	\$158,810	\$0	\$0	(\$158,810)
Charges for Services	1,271,409	249,889	586,217	770,332	923,710	947,692	177,360
Other Revenues	1,243	727,196	256,800	103,442	3,800	11,240	(92,202)
General Fund Support	1,178,502	1,151,032	1,350,404	1,268,774	1,433,556	1,075,059	(193,715)
Total Revenues	\$2,186,557	\$2,248,367	\$2,342,081	\$2,301,358	\$2,361,066	\$2,033,991	(\$267,367)
Expenditures							
Salaries & Benefits	\$1,864,215	\$1,868,482	\$1,949,181	\$1,817,626	\$1,958,626	\$1,661,595	(\$156,031)
Supplies & Services	309,079	440,484	432,630	548,123	647,682	617,638	69,515
Other Charges	194,638	156,752	170,078	136,049	170,576	170,576	34,527
Fixed Assets	19,598	0	0	0	0	0	0
Expense Transfer	(200,973)	(217,351)	(209,808)	(200,440)	(415,818)	(415,818)	(215,378)
Total Expenditures	\$2,186,557	\$2,248,367	\$2,342,081	\$2,301,358	\$2,361,066	\$2,033,991	(\$267,367)
<hr/>							
Allocated Positions	29.00	27.00	27.00	27.00	21.00	21.00	(6.00)
Temporary (FTE)	1.00	2.75	0.00	1.00	1.95	1.95	0.95
Total Staffing	30.00	29.75	27.00	28.00	22.95	22.95	(5.05)

Purpose

The Current Planning Division is responsible for development permitting 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.

CAO Recommendations

This budget unit was split into two divisions Advanced (282) and Current Planning (277) for FY 2010-11. The net General Fund contribution was divided between the two budget units with Current Planning receiving about 75% of the allocation. The recommended reduction for the net General Fund portion of Current Planning is 14%. To achieve the reduction 1.0 FTE Deputy Planning Director and 1.0 FTE Senior Planner position will be held vacant and 1.0 FTE Planner I/II was moved to Natural Resources (289). Fees will also be increased to provide required cost recovery. The reduction was made at the 14% level to provide sufficient staffing to minimize permit

processing delays.

Current Planning has experienced significant reductions in permit fee revenue over the last two years which prompted significant workforce and expense reductions. Many of the expense reductions are carried over into FY 2010-11, including personnel vacancies. The requested budget provides funding to fill one vacancy for essential permitting activities.

Six positions were moved out of this budget unit; five were moved to the new budget unit Advanced Planning (282) and one was moved to Natural Resources (289) which is grant funded resulting in a savings to the General Fund.

Board Adopted

The Board adopted this budget as recommended by the CAO.

Program Discussion

The Current Planning Division has historically consisted of three sections: Current Planning, Advance Planning and Development Assistance. The Department is proposing the formation of a stand alone Advance Planning Division budget unit for management, cost accounting and budgeting purposes. Please see the Advance Planning Budget Unit description for a discussion of the Advance Planning program.

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.

2009-2010 Accomplishments

1. Implemented the "On-Track" permitting software and process in the Building and Environmental Health Division.

2. Developed and introduced a “Welcome Letter” for customers to explain the permitting process and describe opportunities for customer feedback..
 3. Implemented monthly “pending project” notification to the Board of Supervisors.
 4. Completed permitting of Central Estates, Scotia Town and Samoa Master Plan Projects.
 5. Updated and refined internal process for public noticing and Board Report processing.
5. To create condition of approval and mitigation monitoring programs.

2010-2011 Objectives

1. To implement “On-Track” permitting software and process in the Public Works Land Use and Planning Divisions.
2. To complete remaining Permit Reform Committee initiatives, including improving applicant guides and permit process performance measures.
3. To address Planning Division’s revenue shortfalls and budget deficits with continued implementation of the Three Year Budget Action Plan.
4. To develop Williamson Act and Map Act compliance and enforcement program.



1120-Economic Development Fund	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Request	2010-11 Adopted	Increase/ (Decrease)
Revenues							
Other Gov'tl Agencies	\$6,295,132	\$1,093,708	\$1,354,768	\$1,207,576	\$4,960,190	\$4,960,190	\$3,752,614
Charges for Services	0	0	0	0	4,120	4,120	4,120
Other Revenues	10,080	14,848	5,009	0	3,000	3,000	3,000
(To)/From Non-GF Fund Balance	(2,078,394)	564,872	187,700	342,528	0	0	(342,528)
Total Revenues	\$4,226,818	\$1,673,428	\$1,547,477	\$1,550,104	\$4,967,310	\$4,967,310	\$3,417,206
Expenditures							
Salaries & Benefits	\$518,441	\$638,480	\$688,518	\$447,982	\$911,735	\$911,735	\$463,753
Supplies & Services	75,878	69,785	79,740	28,875	87,579	87,579	58,704
Other Charges	4,015,677	1,476,026	1,233,639	1,359,332	4,541,696	4,541,696	3,182,364
Fixed Assets	1,465	0	0	0	1,300	1,300	1,300
Expense Transfer	(384,643)	(510,863)	(454,420)	(286,085)	(575,000)	(575,000)	(288,915)
Total Expenditures	\$4,226,818	\$1,673,428	\$1,547,477	\$1,550,104	\$4,967,310	\$4,967,310	\$3,417,206
<hr/>							
Allocated Positions	9.00	9.00	10.00	11.00	11.00	11.00	0.00
Temporary (FTE)	3.10	2.00	1.50	0.00	0.50	0.50	0.50
Total Staffing	12.10	11.00	11.50	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.

CAO Recommendations

The recommended budget for Economic Development is \$4,967,310, a decrease of \$807,560 or 14% from FY 2009-10. The changes are due to reductions in grant revenues and are offset by corresponding expenditure reductions. The primary funding sources for the Division, federal and state grants, remain stable. Reductions are the result of grant cycle changes.

Board Adopted

The Board adopted this budget as requested and recommended by the CAO.

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
- Brownfield 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:

- Brownfield 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.

While the majority of Economic Development's activities are funded through grant sources, some 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 include:

- 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 2010-11: (1) working regionally with emerging industry clusters; (2) providing funds for training workforce in opportunity industry skills; (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 update this report, facilitate industry leaders to identify priorities and coordinate with regional partners and workforce investment boards to define strategic investments.

Even though purchase prices for homes continued to decrease this past year, the County still has a lack of affordable housing, especially for low and very-low income residents. Only 27% 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 on initiatives which 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.

2009-10 Accomplishments

1. Increased affordable housing options by providing low-interest, deferred loans to 5 low-income First-Time Homebuyers, and 7 low-income homeowners.
2. Completed a variety of studies to improve infrastructure in support of business including Orick wastewater system design, Willow Creek Wastewater Design, Broadband Expansion, and Health Care Services Study.

3. Provided technical assistance to approximately 72 entrepreneurs and businesses through the CDBG Micro-Enterprise Program.
4. Launched the "Humboldt Made" brand, under the direction and support of the Specialty Agriculture industry.
5. Assisted a non-profit in the characterization, clean-up and redevelopment of a Brownfield site.

2010-11 Objectives

1. To increase affordable housing options for residents through multiple housing programs including owner-occupied rehabilitation, first time homebuyer, and the development of the 56-unit Aster Place apartment complex.
2. To focus economic development local and regional resources on needs of base and Targets of Opportunity industries.
3. To produce and provide high quality, useful information about the economy and our programs for the public.
4. To maximize opportunities to advance strategic initiatives through securing funding, building and supporting community partnerships.

5. To assist land owners, businesses, and non-profits in the characterization, clean-up and redevelopment of Brownfield sites.
6. To seek and secure funds for the economic related impacts of the North Coast river restoration activities.
7. To seek funds behalf of the County Ag Extension program in conjunction with the County Economic Development Division's Targets of Opportunity.



1120-Economic Development Fund	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Request	2010-11 Adopted	Increase/ (Decrease)
Revenues							
Other Revenues	\$310,955	\$96,977	\$120,425	\$148,939	\$186,819	\$186,819	\$37,880
(To)/From Non-GF Fund Balance	(74,571)	67	652	0	0	0	0
Total Revenues	\$236,384	\$97,044	\$121,077	\$148,939	\$186,819	\$186,819	\$37,880
Expenditures							
Supplies & Services	\$1,332	\$2,830	\$17,812	\$17,089	\$20,450	\$20,450	\$3,361
Other Charges	235,052	93,046	103,265	131,850	166,369	166,369	34,519
Fixed Assets	0	1,168	0	0	0	0	0
Total Expenditures	\$236,384	\$97,044	\$121,077	\$148,939	\$186,819	\$186,819	\$37,880
<hr/>							
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, oversees the Headwaters Fund unit. Staff is funded in Economic Development budget unit 275, with transfers made to cover costs attributable to Headwaters activity.

CAO Recommendations

The recommended budget for Headwaters is \$186,819, a decrease of \$684 or .4% from FY 2009-10. There are no significant changes in this budget. The Headwaters Fund corpus has decreased very little, as loan repayments and interest on the investments have replenished the Funds.

Board Adopted

The Board adopted this budget as requested and recommended by the CAO.

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

Headwaters Fund (1120 286)

Kirk Girard, Community Development Services Director

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).

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 were paid directly out of the Grant Fund instead of through this budget unit. The FY 2008-09 County Audit recommended that all Headwaters transactions flow through a budget. Staff is exploring the feasibility of this recommendation and may return to the Board with a revised budget that includes Headwaters loans and grants or request a separate budget adoption.

2009-10 Accomplishments

1. Worked with AEDC to provide \$246,350 in new loans for local businesses. These loans retained 13 jobs and created 11 new jobs. AEDC is at their Headwaters Fund contracted limit and is unable to make any new loan with Headwaters funds. Due to staff turnover no new loans were written through RREDC this fiscal year.
2. Made Grant Fund awards of over \$200,000 to priority projects. At the time of writing this narrative the final decisions have not been made on the third grant round of the year. However to date, the following grants have been committed to facilitate community projects:

- Agriculture, nature and heritage tourism (\$15,531)
 - Digital media training for students at Fortuna High School (\$48,000)
 - Diversified forest economy study in the Mattole (\$16,347)
3. Committed \$570,833 from the CIF for infrastructure projects.
 - Grant for the purchase of the Panamnik Building as an economic development center in Orleans (\$50,000).
 - Grant for telemedicine in the new St. Joseph's Hospital tower (\$300,000).
 - Grant for broadband stimulus funding (\$75,000).
 - Grant for a pre-MLPA economic study for the fishing industry (\$145,833).
 4. Awarded \$1.5 million over the next ten years in the new Grant Initiative area of workforce development. This program has been entitled the 20/20 Workforce Challenge.
 5. Launched the Headwaters Evaluation Committee to evaluate the first five years of the fund, analyze outcomes and develop recommendations about grant making criteria for the future.

2010-11 Objectives

1. To work with AEDC and RREDC to provide \$500,000 in new loans for local businesses.
2. To make Grant Fund awards of over \$200,000 to priority projects.
3. To continue to identify lending and granting opportunities within the CIF and award at least one loan and one grant.
4. To monitor and provide support for the first year of the Workforce Challenge program and develop a Grant Initiative for the Forest Products Industry Cluster or for entrepreneurial startups.
5. To complete the work of the Headwaters Evaluation Committee and continue to refine Headwaters grant making criteria and program evaluation systems.

1100 - General Fund	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Request	2010-11 Adopted	Increase/ (Decrease)
Revenues							
Other Gov't Agencies	\$36,293	\$1,730,312	\$4,731,539	\$3,271,746	\$9,901,161	\$9,901,161	\$6,629,415
General Fund Support	102,179	360,455	(341,425)	552,215	0	0	(552,215)
Total Revenues	\$138,472	\$2,090,767	\$4,390,114	\$3,823,961	\$9,901,161	\$9,901,161	\$6,077,200
Expenditures							
Salaries & Benefits	\$0	\$92,814	\$148,769	\$160,254	\$247,315	\$247,315	\$87,061
Supplies & Services	72,013	211,946	106,691	106,840	111,117	111,117	4,277
Other Charges	66,459	1,786,007	4,134,654	3,556,867	9,554,389	9,554,389	5,997,522
Expense Transfer	0	0	0	0	(11,660)	(11,660)	(11,660)
Total Expenditures	\$138,472	\$2,090,767	\$4,390,114	\$3,823,961	\$9,901,161	\$9,901,161	\$6,077,200
<hr/>							
Allocated Positions	0.00	2.00	2.00	2.00	3.00	3.00	1.00
Temporary (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Staffing	0.00	2.00	2.00	2.00	3.00	3.00	1.00

Purpose

The purpose of the Natural Resources Planning Division is to develop and implement water, environmental restoration, habitat conservation and climate change projects to advance natural resource goals set by the Board of Supervisors.

CAO Recommendations

The recommended budget for Natural Resources is \$9,901,161, a decrease of \$633,912 or 6% from FY 2009-10. The reduction is due to less funds being budgeted for Proposition 50 grant implementation. It is anticipated that funding received through federal and state grants will remain stable. One Planner I/II position was moved from Planning (277) to this budget unit. The increased salary costs will be fully funded with grant revenue, there will be no impact to the General Fund.

Board Adopted

The Board adopted this budget as requested and recommended by the CAO.

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, funded the first two projects for this Division.

The County has partnered with other northern California counties, including Sonoma, Mendocino, Del Norte, Siskiyou, Modoc, and Trinity, to form 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 I Implementation Grant administered by the State Water Resources Control Board and a \$2.5 million Prop 50 Round II Implementation Grant administered by the Department of Water Resources.

The Proposition 50 Planning Grant funded regional activities and pilot General Plan processes that include water resource considerations. Planning projects were conducted in Humboldt, Siskiyou, Trinity, and Sonoma counties.

The North Coast Proposition 50 Implementation Grant Application for Round I of this funding was the highest ranked application in the State. Under the Proposition 50 Implementation Grants, twenty-four component projects addressing water supply reliability, water quality and watershed restoration are being conducted throughout the Region. The Division, acts on behalf of the regional partnership as the Regional Manager for NCIRWMP grants.

On behalf of Humboldt County, the cities in Humboldt and several cities in the North Coast region, the Division will be administering California Energy Commission funds for energy conservation upgrades to county and city facilities.

Working with 7 counties and more than 25 cities, the Division will also lead a grant funded effort to bring renewable energy and energy conservation municipal financing to the North Coast region. The project will expand Sonoma County's hugely successful AB 811 financing program to Siskiyou, Trinity, Del Norte, Humboldt, Mendocino and Lake Counties. The program allows property owners to finance clean energy improvements to their property and pay back the loan through their property taxes. The program is expected to provide more than 150 full-time jobs in the green construction industry in the first two years.

2009-10 Accomplishments

1. Worked with 21 Proposition 50 Round I Implementation Grant sub-grantees to conduct construction activities on 15 projects.
2. Finalized and executed a \$2.8 million grant agreement with the Department of Water Resources for the Proposition 50 Round II Implementation and obtained certification of the North Coast Integrated Regional Water Management Plan for up to \$34 million through the Department of Water Resources Proposition 84 Regional Acceptance Process.
3. Assisted in the establishment of the Redwood Water Resources Network, an organization of water or wastewater services providers that the Advance Planning Division helped bring together in an effort to

improve Humboldt County utility service quality and capacity.

4. Submitted applications for the CA Energy Commissions' Energy Efficiency Block Grant and SEP Funding Programs and received over \$5 million in energy conservation and renewable energy funding.
5. Completed the Proposition 50 Planning Grant.

2010-11 Objectives

1. To launch the North Coast Energy Independence Program in partnership with 7 North Coast counties.
2. To expend 75% of the Proposition 50 Round I funding and 25% of Round II funding and successfully complete 12 component projects.
3. To work with NCIRWMP to solicit projects and apply for \$34 million in Proposition 84 funding.
4. To launch the Regional Strategy for Small Disadvantaged Water and Wastewater Providers (regional expansion of Redwood Water Resources Network) as part of the North Coast Integrated Regional Water Management Plan with funding from the State Department of Water Resources.
5. To continue implementation of the Humboldt County Master Fire Protection Plan including work on

Hazardous Fuel Modification/Biomass Utilization,
Revenue for Fire Protection, Level of Service
Standards, and coordination of the formation/expansion
of fire protection districts.



Workforce Investment (1120 287)

Kirk Girard, Community Development Services Director

1120-Economic Development Fund	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Request	2010-11 Adopted	Increase/ (Decrease)
Revenues							
Other Govt'l Agencies	\$3,016,691	\$2,978,388	\$2,929,923	\$3,412,599	\$6,680,000	\$6,680,000	\$3,267,401
Charges for Services	0	8,876	0	0	0	0	0
Other Revenues	10,934	59,981	(90,270)	46,865	0	0	(46,865)
(To)/From Non-GF Fund Balance	0	0	0	666,995	0	0	(666,995)
Total Revenues	\$3,027,625	\$3,047,245	\$2,839,653	\$4,126,459	\$6,680,000	\$6,680,000	\$2,553,541
Expenditures							
Supplies & Services	\$12,610	\$18,800	\$16,071	\$95,959	\$33,078	\$33,078	(\$62,881)
Other Charges	3,015,015	3,028,445	2,823,582	4,022,300	6,642,872	6,642,872	2,620,572
Fixed Assets	0	0	0	8,200	4,050	4,050	(4,150)
Total Expenditures	\$3,027,625	\$3,047,245	\$2,839,653	\$4,126,459	\$6,680,000	\$6,680,000	\$2,553,541
<hr/>							
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.

CAO Recommendations

The recommended budget for Workforce Investment is \$6,680,000, an increase of \$1,889,894 or 40% from FY 2009-10. The change is primarily the result of increased Energy Commission Clean Energy grants. The funding sources for the division, federal and state grants, remain stable.

Board Adopted

The Board adopted this budget as requested and recommended by the CAO.

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. This year Targets of Opportunity will be updated with additional years of data, priorities for each industry cluster and working with regional partners to define the investment strategy to meet industry needs.

2009-10 Accomplishments

1. Employed 255 youth in meaningful summer work experience with American Recovery and Reinvestment Act funding, and helped connect 1,200 youth to work opportunities.
2. Increased funding for adults, dislocated workers and youth by 99%, including funding for clean energy training, planning for Diversified Health Care industry and regional planning around Targets of Opportunity.
3. Launched the Redwood Coast Training for Opportunity Program with College of the Redwoods.

2010-11 Objectives

1. To update Targets of Opportunity, identify industry priorities and launch initiatives regionally, utilizing innovation thinking model.
2. To train 200 people in Clean Energy trade skills.
3. To continue implementation of the Redwood Coast Training for Opportunity Project with College of the Redwoods.
4. To expand funding for StepUP for Youth Jobs program.
5. To complete priority projects for Diversified Health Care industry.



