

Community Development Summary

Kirk Girard, Community Development Services Director

1100 - General Fund	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Request	2011-12 Adopted	Increase/ (Decrease)
Revenues							
Attributable to Department	\$8,281,016	\$10,845,216	\$10,677,272	\$14,773,816	\$21,001,818	\$21,088,683	\$6,314,867
General Fund Support	1,736,085	1,722,073	2,088,885	1,576,052	1,569,954	1,483,089	(92,963)
(To)/From Non GF Fund Balance	624,920	114,153	968,227	(375,690)	0	0	375,690
Total Revenues	\$10,642,021	\$12,681,442	\$13,734,384	\$15,974,178	\$22,571,772	\$22,571,772	\$6,597,594
Expenditures							
Salaries & Benefits	\$3,750,117	\$3,894,547	\$3,751,287	\$4,035,698	\$4,062,376	\$4,062,376	\$26,678
Supplies & Services	941,744	846,448	1,018,607	1,033,476	1,503,481	1,503,481	470,005
Other Charges	6,737,157	8,670,373	9,843,584	12,188,417	17,833,401	17,833,401	5,644,984
Fixed Assets	5,388	0	8,200	1,313	7,200	7,200	5,887
Expense Transfer	(792,385)	(729,926)	(887,294)	(1,284,726)	(834,686)	(834,686)	450,040
Total Expenditures	\$10,642,021	\$12,681,442	\$13,734,384	\$15,974,178	\$22,571,772	\$22,571,772	\$6,597,594
Staffing							
Allocated Positions	56.00	59.00	57.00	57.00	57.00	57.00	0.00
Temporary (FTE)	5.75	1.50	2.50	2.75	0.50	0.50	(2.25)
Total Staffing	61.75	60.50	59.50	59.75	57.50	57.50	(2.25)

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

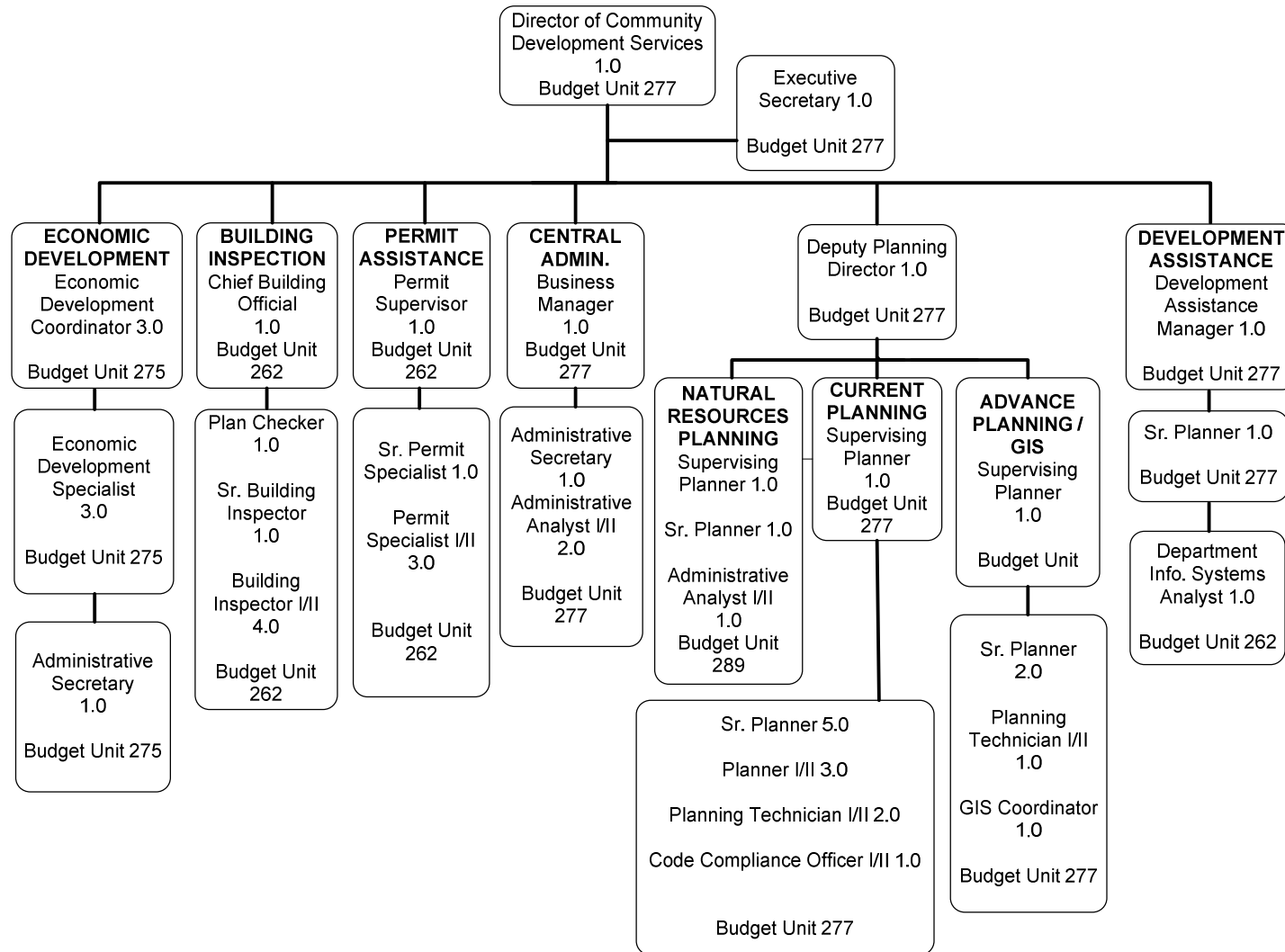
1. <i>Description of Performance Measure:</i> Permit Reform Tasks Completed				
<i>FY 2008-09 Actual</i>	<i>FY 2008-09 Actual</i>	<i>FY 2009-10 Actual</i>	<i>FY 2010-11 Projected</i>	<i>FY 2011-12 Estimate</i>
80%	80%	90%	95%*	100%
<i>Describe why this measure is important and/or what it tells us about 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. Fourteen 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 of the second priority issues are considered complete. The Permit Reform Committee will reconvene in FY 2011-12 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 2007-08 Actual</i>	<i>FY 2008-09 Actual</i>	<i>FY 2009-10 Actual</i>	<i>FY 2010-11 Projected</i>	<i>FY 2011-12 Estimate</i>
3420	3050	2373	2400	2200
<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.				

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3. <i>Description of Performance Measure: Planning Permits Processed</i>				
<i>FY 2007-08 Actual</i>	<i>FY 2008-09 Actual</i>	<i>FY 2009-10 Actual</i>	<i>FY 2010-11 Projected</i>	<i>FY 2011-12 Estimate</i>
246	220	196	180	170
<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 2007-08 Actual</i>	<i>FY 2008-09 Actual</i>	<i>FY 2009-10 Estimated</i>	<i>FY 2010-11 Projected</i>	<i>FY 2011-12</i>
311 open 350 closed	400 300 closed	273 304 closed	280 250 closed	250 125 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	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Request	2011-12 Adopted	Increase/ (Decrease)
Revenues							
Licenses & Permits	\$0	\$0	\$0	\$140,000	\$169,000	\$169,000	\$29,000
Other Govt'l Agencies	0	0	0	5,976	0	0	(5,976)
Other Revenues	0	0	0	5,450	15,352	15,352	9,902
General Fund Support	0	0	0	617,262	303,854	303,854	(313,408)
Total Revenues	\$0	\$0	\$0	\$768,688	\$488,206	\$488,206	(\$280,482)
Expenditures							
Salaries & Benefits	\$0	\$0	\$0	\$421,140	\$372,528	\$372,528	(\$48,612)
Supplies & Services	0	0	0	187,902	31,230	31,230	(156,672)
Other Charges	0	0	0	159,646	136,372	136,372	(23,274)
Expense Transfer	0	0	0	0	(51,924)	(51,924)	(51,924)
Total Expenditures	\$0	\$0	\$0	\$768,688	\$488,206	\$488,206	(\$280,482)
Staffing							
Allocated Positions	0.00	0.00	0.00	5.00	5.00	5.00	0.00
Temporary (FTE)	0.00	0.00	0.00	0.00	0.50	0.50	0.50
Total Staffing	0.00	0.00	0.00	5.00	5.50	5.50	0.50

Purpose

The Advance Planning Division conducts long-range planning, and develops and implements programs to accomplish planning objectives.

Recommended Budget

The General Fund portion of the Advanced Planning budget is recommended to be reduced by \$26,422 or 8% of the adopted budget. There is also a decrease in expenditures of \$179,464 due to one-time funding allocated for the Housing Element update and work on the Environmental Impact Report for the General Plan update in FY 2010-11. To meet budget reductions 1.0 FTE Geographic Information System (GIS) Coordinator position will be frozen and unfunded for FY 2011-12.

Board Adopted

The Board adopted this budget as recommended.

Program Discussion

The Advance Planning Division has historically been a part of budget unit 277, which combined Current Planning, Advance Planning, and Development Assistance. As part of the Department's Three Year Budget Action Plan, Advanced Planning is now a stand-alone budget unit. Separation of the Divisions into distinct budget units has improved 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. This Division also provides information services support including geographic information system (GIS) support, database and network management and website production and maintenance. Advance Planning also manages a General Plan implementation grant program and conducts special studies as needed.

The Advance Planning Division will be managing three distinct program initiatives in FY 2011-12:

General Plan Update – The primary focus of the Advance Planning Division during FY 2011-12 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 January 2012. This will be followed by the Board of Supervisors' public hearings. Final adoption of the General Plan is scheduled for May-June 2012. 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 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 2011-12. 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.

2010-11 Accomplishments

1. Completed re-adoption of the County Housing Element and EIR after Housing and Community Development Review.
2. Continued public hearings with the Planning Commission on the General Plan Hearing Draft.
3. Continued implementation of the Conservation Easement Support Program.

4. Continued implementation of the Humboldt County Master Fire Protection Plan under the guidance of the Humboldt County Fire Safe Council.
5. Prepared Housing Element Ordinances and developed candidate multi-family rezoning property list for Housing Element implementation.

2011-12 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 adopt Housing Element Ordinances and multi-family rezones.
3. To prepare General Plan Update implementing ordinances.

1100 - General Fund	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Request	2011-12 Adopted	Increase/ (Decrease)
Revenues							
Licenses & Permits	\$992,627	\$782,121	\$858,444	\$906,494	\$931,852	\$931,852	\$25,358
Charges for Services	8,575	38,585	44,767	92,009	58,779	58,779	(33,230)
Other Revenues	259,370	390,518	113,769	465	200	87,065	86,600
General Fund Support	221,957	213,745	267,897	255,402	277,046	190,181	(65,221)
Total Revenues	\$1,482,529	\$1,424,969	\$1,284,877	\$1,254,370	\$1,267,877	\$1,267,877	\$13,507
Expenditures							
Salaries & Benefits	\$1,150,341	\$1,092,008	\$1,008,284	\$1,080,110	\$1,128,089	\$1,128,089	\$47,979
Supplies & Services	197,899	193,504	154,982	150,090	97,301	97,301	(52,789)
Other Charges	196,881	205,155	161,875	136,863	150,090	150,090	13,227
Fixed Assets	1,579	0	0	0	7,200	7,200	7,200
Expense Transfer	(64,171)	(65,698)	(40,264)	(112,693)	(114,803)	(114,803)	(2,110)
Total Expenditures	\$1,482,529	\$1,424,969	\$1,284,877	\$1,254,370	\$1,267,877	\$1,267,877	\$13,507
Staffing							
Allocated Positions	18.00	18.00	18.00	13.00	13.00	13.00	0.00
Temporary (FTE)	0.00	0.00	0.00	0.30	0.00	0.00	(0.30)
Total Staffing	18.00	18.00	18.00	13.30	13.00	13.00	(0.30)

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.

Recommended Budget

The total proposed Building Inspection budget is \$1,267,877, and of this amount \$190,181 comes from the General Fund. The recommended budget reduction for the General Fund portion of the budget is 37% or \$110,956. To meet budget reductions four positions will be held frozen and unfunded. The positions are 1.0 FTE Plan Checker, 2.0 FTE Permit Specialists and 1.0 FTE Senior Building Inspector. Permit revenues are estimated to increase by 5% from current year actuals due to increased fees.

The Building Division has experienced reductions in permit fee revenue over the last three years, which have prompted significant workforce and expense reductions. Many of the reductions are carried over into FY 2011-2012:

- Maintaining current staffing levels by continuing vacancies equal to 4.0 FTEs
- Elimination of Building Inspector overtime by restructuring inspection routes
- Elimination of extra-help positions

- Reduction to operating expenses to meet budget requirements
- Maintain vacancy in code compliance officer position. Re-evaluate vacancy at mid-year.

The requested budget did not include the utilization of Building Inspection trust funds. The proposed budget recommends using trust funds to reduce the General Fund contribution to the historical level of 15% of operating costs.

The requested budget includes \$7,200 for replacement of outdated Permit Specialist & Building Inspector computer workstations. The computers lack the capacity necessary to adequately accommodate new software programs, including the new OnTrack permit program. Response time is very slow and intermittent problems have begun to occur.

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 a high of 3,798 in FY 2005-06 to an estimated 2,200 for FY 2011-12.

Historically, 85% of the Division's operating costs have been covered by building permit fees. Even with significant cost reductions, staffing reductions and fee increases, the low volume of construction activity is anticipated to make this percentage of cost recovery unattainable for FY 2011-12. Funds from the Building Inspection trust are recommended to be utilized to reach the 15% General Fund support level.

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 over the last few years 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 at the end of FY 2011-12.

Board Adopted

The Board adopted this budget as recommended.

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.

Inspections and 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 Land Use Division of the Public Works Department, and the Current Planning Division. The

Building Inspection Division also collects special drainage fees on behalf of the Public Works Department. Additionally, the Building Inspection 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 Compliance

Building and Planning code compliance is now managed by the Building Inspection Division. The unit consists of one full-time and one part-time staff members that respond to public complaints and assist the public in identification and resolution of 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 OnTrack computer software permit processing system is the most recently implemented and significant reform. With ongoing enhancements, the system automates multiple permit processing steps and, when complete, will integrate Environmental Health, Public Works Land Use, Current Planning, and the Building Inspection Division in a central permit processing and public information platform.

2010-11 Accomplishments

1. Completed the OnTrack customer web portal and enhanced the message system to provide customer access to current project status.
2. Enhanced reporting capabilities of the OnTrack system.
3. Modified deposit procedures to comply with Auditor and Treasurer recommendations.
4. Implemented 2010 revisions to the California model codes.
5. Established an agreement with an outside agency to comply with California State Certified Accessibility Specialist requirements.

2011-12 Objectives

1. To enhance payment options to include credit cards and debit cards for office transactions.
2. To enhance OnTrack permitting system to allow applications to be submitted online for over-the-counter permits.
3. To develop process for digital storage of Building Inspection Division records for implementation in 2012-2013 fiscal year.
4. To establish in-house Accessibility Specialist within Building Inspection Division to meet State Certified Accessibility Specialist requirements.
5. To update applicant and public information on the Building Inspection Division website.

1100 - General Fund	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Request	2011-12 Adopted	Increase/ (Decrease)
Revenues							
Other Govt'l Agencies	\$120,250	\$148,660	\$158,810	\$0	\$0	\$0	\$0
Charges for Services	249,889	586,217	770,332	788,921	879,137	879,137	90,216
Other Revenues	727,196	256,800	103,442	26,590	32,000	32,000	5,410
General Fund Support	1,151,032	1,350,404	1,268,774	984,909	989,054	989,054	4,145
Total Revenues	\$2,248,367	\$2,342,081	\$2,301,358	\$1,800,420	\$1,900,191	\$1,900,191	\$99,771
Expenditures							
Salaries & Benefits	\$1,868,482	\$1,949,181	\$1,817,626	\$1,417,205	\$1,597,997	\$1,597,997	\$180,792
Supplies & Services	440,484	432,630	548,123	575,321	533,000	533,000	(42,321)
Other Charges	156,752	170,078	136,049	164,269	165,656	165,656	1,387
Fixed Assets	0	0	0	0	0	0	0
Expense Transfer	(217,351)	(209,808)	(200,440)	(356,375)	(396,462)	(396,462)	(40,087)
Total Expenditures	\$2,248,367	\$2,342,081	\$2,301,358	\$1,800,420	\$1,900,191	\$1,900,191	\$99,771
Staffing							
Allocated Positions	27.00	27.00	27.00	21.00	21.00	21.00	0.00
Temporary (FTE)	2.75	0.00	1.00	1.00	0.50	0.50	(0.50)
Total Staffing	29.75	27.00	28.00	22.00	21.50	21.50	(0.50)

Purpose

The Current Planning Division processes permit applications 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 Section 65000.

The Division also implements other State and federally mandated programs including flood hazard protection, geologic and/or seismic safety, timber production zoning, administration of Williamson Act contracts, and coastal planning and permitting authority.

Recommended Budget

The recommended reduction for the net General Fund portion of Current Planning is 8% or \$117,855. To achieve the reduction extra-help will be reduced and 1.0 FTE Deputy Planning Director, 1.0 FTE Planner I/II and 1.0 FTE Senior Office Assistant will be held frozen and unfunded. The reduction in revenues from charges for services is primarily the result of third party environmental review projects that will be completed in FY 2010-11. This is reflected as an offsetting reduction in professional services.

The Current Planning Division has experienced reductions in permit fee revenue over the last three years, which prompted significant workforce and expense reductions. Many of the expense reductions are carried over into FY 2011-12, including

most personnel vacancies. This budget does include plans to fill two currently vacant Planner I/II positions for essential development permitting activities, Certificate of Compliance processing, and Surface Mining regulatory responsibilities. It also includes deleting 1.0 FTE Senior Office Assistant position and adding 1.0 FTE Admin Analyst I/II position. This change will provide better cost recovery and revenue tracking abilities.

Board Adopted

The Board adopted this budget as recommended.

Program Discussion

The Current Planning Division has historically consisted of three sections: Current Planning, Advance Planning, and Development Assistance. The Advance Planning Division is now a stand-alone 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. The Current Planning Division also provides staff support to the Forestry Review Committee and the Williamson Act Advisory Committee. In addition, Current Planning provides public information, reviews building applications and

business licenses, and assigns addresses and street names.

Development Assistance Division

The Development Assistance Division is responsible for providing project facilitation services to customers, modernizing internal systems used for managing building and planning permit applications, updating and maintaining print and digital outreach materials to the public, and tracking customer satisfaction.

2010-11 Accomplishments

1. Expanded use of Zoning Administrator as Hearing Officer to expedite permitting.
2. Updated website posting for Frequently Asked Planning Questions.
3. Completed OnTrack customer portal for Building Division and online referral processing for the Environmental Health, Planning, and Public Works Land Use Divisions through OnTrack.
4. Completed permitting of Chautauqua Natural Foods, and RACE Investments general plan and local coastal plan amendments, and supported final Coastal Commission LCP consideration for the Samoa Master Plan Project.

5. Implemented the Three-Year Budget Action Plan.

2011-12 Objectives

1. To implement OnTrack permitting software and process in the Land Use Division of Public Works and Current Planning Division.
2. To complete remaining Permit Reform Committee initiatives, including improving applicant guides and permit process performance measures. Deploy use of OnTrack for timesheets, task logs, cost reports and invoicing by Central Administration.
3. To address Division 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 and create condition of approval and mitigation monitoring programs.
5. To participate in the web improvement project with the Information Technology team and overhaul department web page.

1120-Economic Development	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Request	2011-12 Adopted	Increase/ (Decrease)
Revenues							
Other Govt'l Agencies	\$1,093,708	\$1,354,768	\$1,207,576	\$2,677,252	\$5,600,625	\$5,600,625	\$2,923,373
Charges for Services	0	0	0	0	3,000	3,000	3,000
Other Revenues	14,848	5,009	0	12,548	4,000	4,000	(8,548)
(To)/From Non-GF Fund Balance	564,872	187,700	342,528	(309,041)	0	0	309,041
Total Revenues	\$1,673,428	\$1,547,477	\$1,550,104	\$2,380,759	\$5,607,625	\$5,607,625	\$3,226,866
Expenditures							
Salaries & Benefits	\$638,480	\$688,518	\$447,982	\$885,663	\$595,478	\$595,478	(\$290,185)
Supplies & Services	69,785	79,740	28,875	58,788	55,645	55,645	(3,143)
Other Charges	1,476,026	1,233,639	1,359,332	2,188,654	5,215,408	5,215,408	3,026,754
Fixed Assets	0	0	0	1,313	0	0	(1,313)
Expense Transfer	(510,863)	(454,420)	(286,085)	(753,659)	(258,906)	(258,906)	494,753
Total Expenditures	\$1,673,428	\$1,547,477	\$1,550,104	\$2,380,759	\$5,607,625	\$5,607,625	\$3,226,866
Staffing							
Allocated Positions	9.00	10.00	11.00	11.00	10.00	10.00	(1.00)
Temporary (FTE)	2.00	1.50	0.00	0.50	0.00	0.00	(0.50)
Total Staffing	11.00	11.50	11.00	11.50	10.00	10.00	(1.50)

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.

Recommended Budget

The recommended budget for Economic Development is \$5,607,625, an increase of \$606,315 or 12% from FY 2010-11. A single project the Aster Place Home grant increased \$1,250,000 most other programs decreased.

The primary funding sources for the Division are federal and State grants. At this time, many of the core grant programs are being considered for cuts or elimination. The Division continues to look for new funding opportunities and will request a supplemental budget if awarded. In spring 2011, the Division submitted approximately \$8,500,000 in three-year grants.

The proposed budget reduces staffing in Economic Development by four positions. This is accomplished by moving 1.0 FTE Economic Development Coordinator to the Headwaters Division and making three other filled positions frozen and unfunded for FY 2011-12. This action may require layoffs. The positions are 1.0 FTE Administrative Secretary, 1.0 FTE Economic Development Specialist and 1.0 FTE Vocational Counselor.

Board Adopted

The Board adopted this budget as recommended.

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 and community projects.

The Economic Development Division manages the Economic Development general budget (budget unit 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
- Securing funds to provide a continuum of workforce housing opportunities

There will be four key focus areas in Economic Development in FY 2011-12: (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.

The purchase prices for homes remained relatively stable this past year, but the County still has a lack of affordable housing, especially for low and very-low income residents. Only 29% of median-income workers in Humboldt County can afford to purchase a home. 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.

2010-11 Accomplishments

1. Increased affordable housing options by providing low-interest, deferred loans to four low-income First-Time Homebuyers, seven fix up loans for low-income homeowners, and the expansion of nine new beds for a homeless facility.
2. Provided technical assistance to approximately 56 entrepreneurs and businesses through the California Development Block Grant Micro-Enterprise Program.

3. Furthered the "Humboldt Made" brand, under the direction and support of the Specialty Agriculture industry, by conducting a variety of outreach activities, including starting a Facebook page and preparing videos to go viral.
4. Sold products out of the area, and brought top flight consultants to discuss with local entrepreneurs "direct to consumer" marketing, including Facebook, Twitter, and viral video techniques.
5. Secured funding for a non-profit to acquire and rehabilitate the old Easter Seals pool to ensure the local disabled population continued to have access to a warm water therapy pool.

2011-12 Objectives

1. To increase affordable housing options for residents through multiple housing programs including owner-occupied rehabilitation, first time homebuyer, and the development of multi-family housing.
2. To focus on economic development local and regional resources on needs of base and Targets of Opportunity industries and complete a Humboldt County Comprehensive Economic Development Strategy (CEDS).

3. To produce and distribute high quality, useful information about the economy and our programs for the public.
4. To continue to maximize opportunities to advance strategic initiatives through securing funding, building, and supporting community partnerships.
5. To assist landowners, businesses, and non-profits in the characterization, clean-up, and redevelopment of Brownfield sites.



1120-Economic Development	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Request	2011-12 Adopted	Increase/ (Decrease)
Revenues							
Other Revenues	\$96,977	\$120,425	\$148,939	\$141,069	\$196,696	\$196,696	\$55,627
(To)/From Non-GF Fund Balance	67	652	0	(5,566)	0	0	5,566
Total Revenues	\$97,044	\$121,077	\$148,939	\$135,503	\$196,696	\$196,696	\$61,193
Expenditures							
Salaries & Benefits	\$0	\$0	\$0	\$0	\$104,577	\$104,577	\$104,577
Supplies & Services	2,830	17,812	17,089	7,016	13,300	13,300	6,284
Other Charges	93,046	103,265	131,850	128,487	78,819	78,819	(49,668)
Fixed Assets	1,168	0	0	0	0	0	0
Total Expenditures	\$97,044	\$121,077	\$148,939	\$135,503	\$196,696	\$196,696	\$61,193
Allocated Positions	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Temporary (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Staffing	0.00	0.00	0.00	0.00	1.00	1.00	1.00

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.

Recommended Budget

The recommended budget for Headwaters is \$196,696, an increase of \$9,877 or 5% from FY 2010-11. One Economic Program Coordinator position was moved to this budget from Economic Development (275) which reduced other charges and increased salaries, other than that there are no significant changes for FY 2011-12. 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 recommended.

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). Coordinator staff is funded in Budget Unit 286. Transfers are made to cover support staff and overhead costs in Economic Development attributable to Headwaters activity.

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.

2010-11 Accomplishments

1. Worked with Arcata Economic Development Corporation to provide \$322,250 in new loans for local businesses. These loans retained 6 jobs and created 12 new jobs. A bridge loan was underwritten through Redwood Regional Economic Development Corporation which allowed two local child care centers to stay in business during the State budget freeze. The loan allowed employees at 61 different companies to continue going to work. This \$75,000 loan has been paid off.
2. Made Grant Fund awards of close to \$278,000 to priority projects. The following grants have been committed to facilitate community projects:
 - Innovation and Entrepreneurship curriculum (\$34,500)

- Humboldt Made – marketing for local products (\$62,200)
 - Hoopa Valley Tribe internet access (\$35,000)
 - Willow Creek septic improvement (\$35,000)
 - Humboldt “Agricultural Workshop Program” (\$39,979)
 - Orick Rodeo Grounds restroom facility (\$50,000)
 - Wiyot Tribe Indian Island restoration (\$21,000)
3. Committed \$287,500 from the CIF for infrastructure projects.
 - Grant to renovate the Foodworks Culinary Center (\$187,500)
 - Grant for a North Coast Health Information Network (\$100,000)
 4. Continued support for the \$1.5 million grant initiative committed over ten years in the area of workforce development. This program has been entitled the Decade of Difference (previously Workforce Challenge).

5. Completed evaluation and analysis of grant making in the first five years of the fund. Adopted new grant making criteria for both the Grant Fund and the Community Investment Fund.

2011-12 Objectives

1. To work with AEDC and RREDC to provide \$300,000 in new loans for local businesses.
2. To make Grant Fund awards of up to \$300,000 to priority projects.
3. To continue to identify lending and granting opportunities within the CIF and award at least one loan or grant.
4. To monitor and provide support for the second year of the Decade of Difference program. Continue to investigate feasibility of additional grant initiatives in support for entrepreneurial startups, business education or for the Forest Products industry.

1100 - General Fund	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Request	2011-12 Adopted	Increase/ (Decrease)
Revenues							
Other Gov't Agencies	\$1,730,312	\$4,731,539	\$3,271,746	\$4,385,057	\$10,499,996	\$10,499,996	\$6,114,939
Charges for Services				\$9,425	\$10,000	\$10,000	\$575
General Fund Support	360,455	(341,425)	552,215	(281,521)	0	0	281,521
Total Revenues	\$2,090,767	\$4,390,114	\$3,823,961	\$4,112,961	\$10,509,996	\$10,509,996	\$6,397,035
Expenditures							
Salaries & Benefits	\$92,814	\$148,769	\$160,254	\$231,580	\$263,707	\$263,707	\$32,127
Supplies & Services	211,946	106,691	106,840	26,160	761,505	761,505	735,345
Other Charges	1,786,007	4,134,654	3,556,867	3,855,221	9,497,375	9,497,375	5,642,154
Expense Transfer	0	0	0	0	(12,591)	(12,591)	(12,591)
Total Expenditures	\$2,090,767	\$4,390,114	\$3,823,961	\$4,112,961	\$10,509,996	\$10,509,996	\$6,397,035
Staffing							
Allocated Positions	2.00	2.00	2.00	3.00	3.00	3.00	0.00
Temporary (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Staffing	2.00	2.00	2.00	3.00	3.00	3.00	0.00

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.

Recommended Budget

The recommended budget for Natural Resources is \$10,509,996, an increase of \$608,835 or 6% from FY 2010-11. The increase is due to more funds being budgeted for Proposition 50 grant implementation. It is anticipated that funding received through federal and State grants will remain stable. There are no significant changes to this budget for FY 2011-12.

Board Adopted

The Board adopted this budget as recommended.

Program Discussion

The Natural Resources Planning Division receives funding for implementing projects as directed by the Board of Supervisors that address natural hazard mitigation, conservation and open space, water resources, and forestry and agricultural resources. The Division also administers funds for planning and implementation projects that address water resources and

energy independence in the region as defined by the North Coast Integrated Regional Water Management Plan (NCIRWMP).

The Division's projects include: administration of a variety of State and federal funds for projects that focus on water supply reliability; water quality; salmonid habitat; community wildfire protection and planning; Firewise activities, and energy independence; planning services to the NCIRWMP and local fire safe councils; expanding and supporting the Redwood Water Resources Network; and Labor Compliance services to NCIRWMP projects.

In 2005, the County partnered with other northern California counties, including Sonoma, Mendocino, Del Norte, Siskiyou, Modoc, and Trinity, to form the NCIRWMP group, also called the North Coast Region. The Division acts on behalf of this group as the Regional Manager for NCIRWMP grants. Through grant agreements with the State Water Resources Control Board (\$25 million) and the Department of Water Resources (\$5 million), the Division is assisting in implementing 25 distinct natural resource projects throughout the North Coast.

The Division is also working with the North Coast Region on a \$1 million Proposition 84 funded regional planning grant as well as launching a Disadvantaged Community Pilot project for Small Water and Wastewater providers, including additional support for the Redwood Water Resources Network. These projects are administered through grant agreements with the Department of Water Resources.

To further the Division's energy independence goals, the Division will be administering California Energy Commission funds for energy conservation upgrades to county and city facilities on behalf of Humboldt County, the cities in Humboldt and several cities in the North Coast region.

The Division administers Title III funds provided by the Secure Rural Schools and Self Determination Act of 2000. These funds allow the Division to provide staff support and grants to assist local fire safe councils (FSC), fire departments, and other community organizations with wildfire protection planning and Firewise activities throughout the county. The Division also administers the \$300,000 FLASH Program funded by the United States Department of Agriculture that provides rebates to residents who complete vegetation management projects that reduce the wildfire hazards on their property.

2010-11 Accomplishments

1. Worked with Proposition 50 Round I Implementation Grant sub-grantees to conduct construction activities on 16 projects that enhanced native salmonid habitat and improved water quality and water supply reliability.
2. Finalized and executed a \$2.075 million grant agreement with the Department of Water Resources for the Proposition 50 Round II Implementation and obtained certification of the NCIRWMP for up to \$34 million through the Department of Water Resources Proposition 84 Regional Acceptance Process.

3. Submitted applications for the California Energy Commission's Energy Efficiency Block Grant, the Department of Water Resources Proposition 84 Planning and Implementation Grants, and the Department of Water Resources Disadvantaged Community Pilot Program.
4. Completed the Humboldt County Hazardous Fuels Reduction Plan Update with oversight by the Humboldt County FSC and in coordination with local FSCs.
5. Completed the Willow Creek Community Wildfire Protection Plan in coordination with the Willow Creek FSC and other local partners.

2011-12 Objectives

1. To complete energy upgrades on municipal facilities in 12 North Coast jurisdictions, including the County of Humboldt.
2. To complete 12 implementation Proposition 50 Round 1 and 2 funded projects that address water quality, native salmonid habitat, and water supply reliability.
3. Launch the Regional Strategy for Small Disadvantaged Water and Wastewater Provider (regional expansion of the Redwood Water Resources Network) as a part of the NCIRWMP with funding from the State Department of Water Resources.

4. Continue implementation of the Humboldt County Master Fire Protection Plan, a countywide “community wildfire protection plan (CWPP).



1120-Economic Development	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Request	2011-12 Adopted	Increase/ (Decrease)
Revenues							
Other Govt'l Agencies	\$2,978,388	\$2,929,923	\$3,412,599	\$5,582,540	\$2,601,181	\$2,601,181	(\$2,981,359)
Charges for Services	8,876	0	0	0	0	0	0
Other Revenues	59,981	(90,270)	46,865	20	0	0	(20)
(To)/From Non-GF Fund Balance	0	0	658,795	(61,083)	0	0	61,083
Total Revenues	\$3,047,245	\$2,839,653	\$4,118,259	\$5,521,477	\$2,601,181	\$2,601,181	(\$2,920,296)
Expenditures							
Supplies & Services	\$18,800	\$16,071	\$95,959	\$28,199	\$11,500	\$11,500	(\$16,699)
Other Charges	3,028,445	2,823,582	4,022,300	5,555,276	2,589,681	2,589,681	(2,965,595)
Fixed Assets	0	0	0	0	0	0	0
Expense Transfer	0	0	0	(61,998)	0	0	61,998
Total Expenditures	\$3,047,245	\$2,839,653	\$4,118,259	\$5,521,477	\$2,601,181	\$2,601,181	(\$2,920,296)
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 from the WIA and through the US Department of Labor and the CA Employment Development Department.

The unit is responsible for financial reporting to the granting agencies and the WIB, state monitoring and auditing, oversight of service providers, contract supervision, processing of invoices and reimbursements, funds management, grant project 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.

In FY 2009-10 and FY 2010-11, stimulus funding through the American Recovery and Reinvestment Act (ARRA) and other grant awards resulted in a large increase in WIA funding for adult and youth programs and in workforce development programs.

Recommended Budget

The recommended budget for Workforce Investment is \$2,601,181, a decrease of \$4,085,819 or 61% from FY 2010-11. The change is primarily the result of ARRA and other grant awards expiring June 30, 2011. While the unit has over \$8.5 million in applications for federal and State grants as of April 12, 2011, much of which is for the Workforce Unit, there is no certainty of receiving awards. Overall, there are less opportunities to apply and the competition for grant funds is anticipated to be stiffer. The funding reduction in this unit has resulted in reduced staffing levels in Economic Development.

Board Adopted

The Board adopted this budget as recommended.

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 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, increase 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. *Targets of Opportunity* was updated with the most recent data through 2009 and published at the end of FY 2010-11.

2010-11 Accomplishments

1. Trained 100 adults and 86 youth in green construction techniques through the Clean Energy Workforce Training Program with the input and direction of a Green Employer Council.
2. Served 500 participants in 10 certificate programs, through the Redwood Coast Training for Opportunity Program with College of the Redwoods which will provide trained workforce for demand occupations in the Target of Opportunity industries.

3. Facilitated youth across the Redwood Coast region to identify ways to inspire them to see careers in the Targets of Opportunity. Prepared Decade of Difference educational materials.
4. Convened and facilitated leaders in each Target of Opportunity industry to develop strategic work plans for their industry.
5. Learned and utilized human-centered design thinking model with business owners.

2011-12 Objectives

1. To seek funding to execute projects that enhance *Target of Opportunity* industries ability to hire, train and advance workforce.

2. To receive funding and launch Redwood Coast Career Pathways project with College of the Redwoods, Eureka Adult School, Hoopa Tribal Education, Del Norte and Trinity workforce centers.
3. To maximize opportunities to advance WIB strategic initiatives through securing funding, and building and supporting community partnerships.
4. To produce and disseminate high quality, useful information about the economy and our programs for the public.
5. To continue to support meetings in compliance with WIA and the Brown Act, and to meet regulatory requirements to insure current and future funding.

