



LOCAL GOVERNMENT COMMITTEE City of Chico/County of Butte



Minutes of February 7, 2018

3:30 P.M.

First Floor Conference Room, Chico City Hall, 411 Main Street, Chico

Members present: Kirk, Morgan, Sorensen, Wahl

Members absent: Fillmer

- 1. Approved Minutes of August 2, 2017** – Motion: Kirk Second: Wahl (4 / 0 / 1 absent)
- 2. VLF (Vehicle License Fee) Calculation Error** – Interim County Chief Administrative Officer Shari McCracken and City Manager Mark Orme provided an overview. The County Auditor Controller was invited but is at a conference and unable to attend. McCracken stated that all involved have been in discussions regarding the error and how best to address it and Orme said it has been a great conversation and he has been pleased that McCracken has been able to bridge the gap with the Auditor Controller. The error in the VLF calculation still needs to be further verified and confirmed. All involved are working on getting additional information in an attempt to piece together how this could have happened. The Auditor Controller notified the City it had been over paid and offered a short repayment term but the City may be able to have a longer term because the State can authorize a five-year repayment schedule. The Auditor Controller states the City owes almost \$2 million. Both the City and County believe there needs to be a more detailed documentation provided as to how this happened and how it was calculated. City Administrative Services Director Scott Dowell provided a brief history of the VLF-Property Tax Swap of 2004 which set a base. The base is adjusted each year. The City has requested that calculations be reviewed back to inception to ensure that good data is being relied upon. In addition to the letter received by the City stating it owes \$2 million, the City was also advised that the base had been lowered by \$250,000 to \$300,000 which impacts VLF revenue going forward.
- 3. Airbnb, VRBO General Discussion** – County Development Services Assistant Director Pete Calarco and City Community Development Deputy Director Brendan Vieg discussed the approaches being considering. Calarco stated that there will be a presentation of a conceptual outline for an ordinance to the Board of Supervisors next Tuesday. There have only been a handful of persistent complaints in the County but the zoning ordinance does not have a tool to address short term vacation rentals. The County is proposing an administrative permit process where if you meet the criteria you will be issued a permit. It is estimated that there are 130 short term vacation rentals in the unincorporated area but it is unknown how frequently they are operating. Transient Occupancy Tax (TOT) is connected with this issue because these operators are supposed to pay TOT. Having a permit system may help prompt payment of the fee. Vieg stated it is estimated that 80 short term vacation rentals are operating in Chico. The City is not taking an aggressive stand at this point but is watching and coordinating with the County. The court case that the City was involved in was discussed. The City's interpretation was that if short term vacation rentals were not addressed in the Code then they were not allowed however the court found the opposite. Dowell stated the City is also working with the City Attorney to identify how to collect the TOT from these operators and hopes to bring something to the City Council in next couple of months. The County is interested in coordinating with cities on this issue and is also looking at services that will monitor and field complaints.

4. **Update on Old Humboldt Road** – County Public Works Director Dennis Schmidt and City Public Works Director O&M Erik Gustafson provided a follow up from the August meeting on ideas discussed about trash/dumping concerns (increasing patrol, working with the property owner to better secure the area, etc.). Schmidt advised that “No Littering” signs were installed along Old Humboldt Road and that he has not been hearing a lot of complaints lately. Supervisor Larry Wahl advised that the dumping has been pretty quiet over the last few months. Gustafson stated that the Save the Rock Walls group has done a great job, they are picking up garbage, placing it in bags, and notifying the City for pick up. There had been discussion of meeting with the property owners in a public meeting to address fencing and access control issues. It was the consensus of the Committee that County and City staff will meet directly with the property owners to discuss options and get their perspective.
5. **Update on Funding and Governance Options for Butte County Fire Protections Services** – Interim CAO McCracken provided an update regarding action taken at the January 23rd Board of Supervisors meeting stating that the direction is to narrow down options to look at a County Service Area (CSA) or dependent fire protection district. Research will be conducted by County staff, in consultation with LAFCO, and findings brought back to the Board in May or June. Either option can include city jurisdictions. McCracken said there are numerous ways that counties provide fire service, with most having some sort of additional funding stream (CSA or district). Butte County is unique in that the County provides the majority of funding from the General Fund, while most counties have other funding and governance options to fund services. City Fire Chief Steve Standridge stated he has experience with fire districts and they tend to be a fairly stable revenue source. McCracken explained that in California, districts can no longer be funded by a portion of the base property tax, so a special assessment or parcel tax would be needed to provide the necessary supplemental funding, which requires a vote of property owners. The soonest a CSA or district could be formed is one year to 18 months. There are some communities within the County that are aware of, and in support of, a supplemental funding option. The fire union is also supportive of a supplemental funding source.
6. **Community Choice Aggregation (CCA) – Feasibility Study Update** – Assistant County Chief Administrative Officer Brian Ring provided an update on the CCA Feasibility Study. Ring explained that CCA is where jurisdictions, County/Chico/Paradise/Oroville, purchase power on the open market and then use PG&E infrastructure to deliver the power. The first stakeholder’s meeting regarding the Feasibility Study was held and the analysis of the PG&E data was presented. The analysis found the data is similar to other communities that have CCA. The contractor will provide a draft report by April which will then be made available to the community to review and provide input before going to the Board or City Council. There are legal issues currently being challenged related to CCAs and the PUC has weighed in on the timing of when CCAs can go into operation. The Feasibility Study stakeholder’s meetings will continue to be held monthly.
7. **Local Government Committee Purpose** – Interim CAO McCracken and City Manager Orme asked the Committee members if they are getting what they want out of these meetings. Councilmember Morgan stated the fire districting and CCA discussions today were good and that it is good to know that City and County staff are interacting on issues, but he also appreciates not having meetings. It was the consensus of the committee to continue to schedule quarterly meetings, staff will continue to reach out to Committee members to gather topics, and the meetings can be cancelled if there are no items to discuss.
8. **Future Meeting Dates** – May 2, 2018, August 1, 2018, November 7, 2018
9. **May 2, 2018 Potential Agenda Items** – Provide updates on most of the items on today’s agenda.
10. **Public Comment** - None
11. **Adjournment at 4:12 p.m.**



LOCAL GOVERNMENT COMMITTEE City of Chico/County of Butte



Minutes of May 9, 2018

3:30 P.M.

First Floor Conference Room, Chico City Hall, 411 Main Street, Chico

Members present: Fillmer, Kirk, Morgan, Sorensen, Wahl

Members absent: None

1. Approved Minutes of February 7, 2018 – Motion: Morgan Second: Sorensen (5/0)

2. PACE Program

Peggy Moak, Butte County Treasurer/Tax Collector, provided the Committee with a briefing and update on the Property Assessed Clean Energy (PACE) Program.

Moak provided detailed handouts to the Committee (attached). The PACE Program was initially implemented in Butte County on a commercial basis and opened to residential customers in 2015-16. There are about 400 PACE assessed properties in Butte County. There are legislative efforts underway to improve consumer protection laws due to issues with false advertising and contractors with high pressure tactics.

Some older seniors are confused about the program once it has been initiated. In some cases, the program has as much as quadrupling their taxes. The assessment is supposed to be offset by savings in PG&E but for some participants PG&E savings are lower than the assessments and the issue of delinquency for PACE assessments is now being reported. The PACE administrator has been making more of a concerted effort to enforce payments. These concerns, as well as fraudulent advertising, are now being addressed by legislation.

The assessments can only be added to tax role once a year which means the interest on the project is accruing during that time and is added to the assessment. Tax collectors up and down the state are concerned about this and don't want people losing their homes. FHA, Fannie May and Freddie Mac have determined that PACE liens have to be paid off when selling/refinancing a house and in many cases there is not enough equity available to do so.

Consumer protection legislation would include a standard brochure with PACE disclosures, require an ability to pay determination prior to financing approval and validation of income, all property owners must sign the agreement and they are thinking about requiring notarized signatures, printed documents are to be provided, a three day cancellation period with no contract work starting until after the three day period and no work before the financing is approved. It will also require solicitor training and oversight.

The County has been offering PACE for roughly three years, the recommendation is to contact those who have participated to see how the program has worked for them, determine their level of satisfaction and look at the energy savings to see if it is as expected. ICAO McCracken asked what would be done with the information collected and Moak advised that it would be presented to the Board of Supervisors and the Local Government Committee in order to get direction on how to proceed.

Supervisor Kirk asked if someone can't pay, who suffers? Moak said that standard tax collection protocol is used. A notice of default is issued with interest and penalties. Most participants were able to pay their property taxes in the past but if they didn't set aside their PG&E savings, and fail to make a payment, the assessments and penalties keep accumulating for five years until the property goes through a tax auction process. They have asked PACE administrators instead to remove the properties from the tax role upon default and have PACE go into foreclosure or collect. It is much easier to come up with one year's payments then letting it accumulate over five years. Of the 400 PACE assessments in the County only about 4% are delinquent.

3. Community Choice Aggregation (CCA) – Feasibility Study Update

Brian Ring, Butte County Assistant Chief Administrative Officer, provided the Committee with a briefing and update on the Community Choice Aggregation (CAA) Feasibility Study being conducted by the County.

CAA is the ability of cities/counties to procure energy independently of PG&E but use PG&E's infrastructure. It allows for more local control and the use of more clean energy. The County has engaged a consultant and since August of 2017 has been looking at the unincorporated area of the County as well as Chico, Oroville, and Paradise. The County and Chico make up 80% of the area's power users. The study thus far indicates the potential for a 3-6% savings depending on the energy portfolio the customer chooses. The greener/more renewable the energy portfolio the more diminished the savings would be. The final report should be completed in the next couple of weeks. The timeline is to take the item to the Board of Supervisors and Chico council in July to see if and how we move forward with Community outreach planned in August and an ultimate decision going before the governing bodies in September. There are regulations related to timing and it is a complicated process requiring a governance structure and the filing of a plan with the CPUC. Filing may occur in 2019 with startup in January of 2020. Residents can decide if they want to participate in the CCA opportunity or if they prefer to opt out. Approximately 5-7% generally stay with PG&E. There are 12 CCAs operating in California now, six more are going live in 2018. Each has their own goals and objectives such as rate saving, use of green/sustainable energy, or economic development.

Chico City Manager Orme stated that Brian has done a great job on this project, that it is an opportunity to attract businesses that are high energy users, and thanked the County for looking into this.

4. General Update on Homeless Issues – Supervisor Larry Wahl

Discussion of current challenges and "tiny homes."

Supervisor Wahl started by asking how the County can assist. City Manager Orme stated the City Council has authorized staff to proceed to look at opportunities and the consolidated services concept. A vital component of consolidated services is working with the County. County staff has been wonderful. The City isn't a provider of services, just a facilitator and the Jesus Center is our primary partner. The Jesus Center was already looking for alternatives and a great team has formed and is putting together what they believe will be a high-end, primary intake center although there is no final concept yet. The team has reached out to in excess of 50 entities/providers and received a lot of feedback. One of the impediments to moving forward is that the City needs to relocate the BMX facility but a potential opportunity does exist. The engagement now is between the Jesus Center and the other service providers and the County will play a pivotal role there.

Wahl asked about tiny houses. Orme advised that project is called Simplicity Village and is being initiated by Chico Housing Action Team (CHAT). They also have sat down with the City to discuss the initiative but were missing a location and a business plan. They are continuing to work on these items and the City is waiting for them to return with a location and plan.

Mayor Morgan stated that the City Manager has done an amazing job bringing the players together and he is optimistic about where we move on this issue as a city/county.

An unidentified audience member asked about the outreach effort by Stairways stating they understood that those efforts were no longer being done and that they thought it was a requirement for receiving money. Morgan advised Stairways has its own challenges, that relationship building is the way to do it, and that there are a certain number of people who are "service resistant."

Tom Tenorio, CEO for Community Action Agency of Butte County, introduced Jennifer Griggs as the new Continuum of Care (CoC) Coordinator. He stated that tools are being created for the coordinated entry process and they want to work along with the County and City to prioritize uses of funding.

Orme stated that the consolidated services concept will deal with some gaps in services but will not solve homelessness, just mitigate the impacts.

Vice Mayor Fillmer stated that the goal of the CoC Coordinator is to bring everyone together. This is not the role of the County or City and that we need to get the community more involved in solving the problems.

5. Update on Esplanade House – Supervisor Larry Wahl

Tom Tenorio, Community Action Agency (CAA) of Butte County, Inc., Chief Executive Officer, provided the Committee with an update.

Tenorio stated he is here to speak about the Esplanade House program, what they do and how they do it. Their goal is to try to keep homeless families together. He advised they have closed 13 cases, outlined all the progress that has been made with families, stated that over 300 volunteers have provided over 4000 hours of time, that they have many partners/service providers, continue to provide critical support, and are living up to expectations to provide services to families in need of help. They continue to seek ways to do better and have a clear sense of responsibility and accountability.

Regarding transparency and why they are in the newspaper Tenorio stated that it is a disagreement between CAA and the Esplanade House Children's Fund Board on how the program can be run. Certain claims have been made against CAA but the claims have been laid to rest by the state and the public. Regarding the transparency issue he is at a loss. The board meetings are open and have been for 24 years. They share information with all funding sources city/county/state and are responsible and accountable.

Morgan asked what changed? Clearly there is a falling out and disagreements. Tenorio stated that all financials are shared with funding sources as required by law and that the Children's Fund thought they could run the program better than CAA can and they disagreed with that.

Kirk advised that she tried to attend a meeting but the meeting location was changed. Several people showed up to the wrong location. Wahl stated he was also concerned about why they don't think they are subject to the Brown Act and the Freedom of Information Act. Tenorio stated that CAA is not a government agency. Kirk advised that she was not allowed to see the financials and that it seems that if they were more transparent a lot of this would go away.

Lynne Bussey stated that the Esplanade House Children's Fund offered to bridge the funding gap with \$100,000 and that Tenorio turned it down because there were too many strings attached. She went on to describe what the Esplanade House Children's Fund Board believes is happening regarding operations and transparency, the CAA bylaws and public access.

Morgan stated that what the Committee is hearing today is out of their scope. Fillmer stated that the City's agreements are directly with CAA and the City can address issue with those but what is being discussed is not within LGC's scope.

Kirk advised that the reason this item was brought up today was because it has been in the paper.

ICAO McCracken stated that there are two groups that need to get together to work through this. There is disagreement on a lot of things but it is not with the County or City and that we all have an interest in the program being successful.

Wahl requested an update in 3 months.

6. Future Meeting Dates – Considered

August 1, 2018, November 7, 2018

7. August 1, 2018 Potential Agenda Items – Discussed

Include updates on the Community Action Agency, homeless issues, Community Choice Aggregation, and Old Humboldt Road.

8. Public Comment

Continuum of Care Coordinator, Jennifer Griggs, offered to provide the Committee a formal report at the next meeting.

9. Adjournment at 4:56 p.m.



LOCAL GOVERNMENT COMMITTEE City of Chico/County of Butte



Minutes of August 1, 2018

3:30 P.M.

Council Conference Room No. 2, 421 Main Street, Chico

Members present: Kirk, Sorensen, Wahl

Members absent: Fillmer, Morgan

1. **Approved Minutes of May 9, 2018** – Motion: Kirk Second: Sorensen (3 / 0 / 2 absent)
2. **Old Humboldt Road** - Update on feedback received from property owners in the area. Butte County Public Works Deputy Director Tom Fossum and City of Chico Public Works Director – O&M Erik Gustafson

Gustafson advised that the City and County are working jointly on closing a portion of Old Humboldt Road to vehicle traffic and that they have met with BCAG regarding grant opportunities to preserve the historical features of the area. They have talked with some of the private property owners and are organizing a meeting with them to discuss options and get feedback. Fossum advised that one county parcel is a particular challenge because there are multiple family members who jointly own the property and four attorneys involved. The item will go before the City Council at its September 18, 2018 meeting and staff hopes to have a consensus from property owners by then. The Oak Valley Subdivision has a planned future connection to Old Humboldt Road and the bollards to close the road would be placed up from that connection. Gustafson said that GIS maps are being prepared to show what the road closure would look like.

The problems along the road continue, just in the last week there were several dumping scenarios and it is a significant resource drain for the City and County. There has been large amount of dumping on private property too. However, the Respect the Walls group is an invaluable resource and have picked up a ton of trash along Old Humboldt Road as they continue to advocate for the preservation of the historic rock walls.

3. **Update from Butte Countywide Homeless Continuum of Care (CoC)**
CoC Coordinator Jennifer Griggs

Griggs passed out packets to the Committee as a 2018 Mid-Year Update. She has been in the CoC Coordinator position since January 18, 2018. She thanked the County and City for supporting the CoC. The CoC is a requirement of the U.S. Department of Housing and Urban Development (HUD) to help people who are homeless with a focus on those that want to seek better in their lives.

Prior to the Carr Fire, Redding had about 700 homeless persons living along the river, center of town and underneath the trestle. Butte County may see some homeless come this way from Redding, but we won't see a significant impact. The biggest impact will be from those who lost their homes. Over 1000 homes were destroyed. We may see at least 100-300 looking in Butte County for affordable housing which may have an impact on our own residents who need this housing. The impact will be for at least a couple years.

The US Interagency Council on Homelessness, Home, Together is a plan to end homelessness among all, make homelessness a brief, rare or a one-time occurrence, and collaborate and ensure non-duplication of services. It is the framework used to help the CoC Board make decisions.

Upcoming grants:

- State Emergency Solutions Grant, Rapid Rehousing and Competitive, both awarded to the Torres Shelter.
- HUD CoC Program Competition for grant renewals and domestic violence bonus and regular bonus in the amount of \$667,000 to give out to non-profits.
- State Emergency Solutions Grant of \$550,000 coming out this fall.
- The Homeless Emergency Aid Package (HEAP) funding of \$4.8 million for Butte County.

The HEAP grant does require a shelter crisis declaration by cities/jurisdictions and proof of working together which we have with the CoC. County can declare a shelter crisis but only for the unincorporated areas, if a city wants to be eligible for this funding in its jurisdiction then the city needs to make a declaration. This is one-time money. The intent is for funding to be used for emergency critical services, shelter construction, hotel vouchers, short term shelter, diversion, prevention, etc. All funding must be spent by June 2021.

So far in 2018, the CoC has hired the CoC Coordinator, established seven countywide goals/priorities, and established working committees. What was formerly referred to as “Coordinated Entry” is now Resource Connect Butte because, due to our housing shortage, we don’t have the housing necessary to house our families, domestic violence victims, or youth or transitional aged youth (TAY) within 30 days or less of becoming homeless.

The operational short-term goals are to provide monthly reports on system performance, make sure projects renewing are meeting minimum system performances, focus on the seven goals/priorities, a successful Point in Time (PIT) count, onboard more agencies for reporting into Homeless Management Information System (HMIS), identifying super users (the biggest burden) and work on plans to bring down their fiscal impact, and identifying homeless families with children.

The long-term goals include comprehensive data sharing with hospitals, Sheriff, First Five and others that are interfacing with the homeless to identify the gaps and needs, establish low barrier shelters in Chico, Paradise, and Oroville, increase low barrier beds, the 2020 general census is coming up and HUD relies a lot on the census data so we need to make sure we count all of the folks in the county, and create a 5-year strategic plan.

Need to work to improve interagency collaboration related to data sharing (Hospitals use codes for homeless to bill Medicare), get street outreach teams to enter data into the HMIS, quarterly meeting updates to county and cities, and monthly input from law enforcement in order to ensure we are meeting needs of community.

Griggs asked that the CoC be invited to speak at public meetings, invited others to come to CoC or committee meetings and to let her know if there are others the CoC should engage with. She also invited those present to be a part of PIT count.

For 2019 she asked the County and City to consider joining the Built for Zero Collaborative. It costs \$10,000 and strives to end veteran and chronic homelessness.

Future ask, that incentives be offered to developers to build affordable housing. Do we have any incentives? Can we streamline permit application process, have community conversations, and look at zoning options?

Regarding the shelter crisis declaration, CAO McCracken clarified that a shelter crisis declaration only allows for building standards to be waived on existing public facilities. HEAP funding can be used for new private development, but private development still must abide by code.

4. Everybody Healthy Body – Feasibility Study Update
EBHB Vision Coordinator Jovanni Tricerri and Audrey Taylor, President, Chabin Concepts.

Taylor stated the goal is to acquire and hold land for a future sports/education/health complex for our community. A Feasibility Study was conducted by The Sports Force that found that a complex with 100 tournaments a year is feasible. There are 1554 programable hours per week countywide that we cannot currently service which is why CARD is working on their plan too. The biggest demand is indoor facilities. There is a tournament potential of 100-140 that could be held here if we had the facilities. Phase I would include outdoor facilities, indoor, and adapted sports, partnering with Ability First to expand their program and to become a Paralympic facility.

From an Economic Development standpoint, in year one we could see all numbers grow. Potential for an \$18 million economic impact and addition of 208 jobs. In five years the potential is \$38 million and 434 jobs, just on the sports side.

Everybody Healthy Body would not operate the complex, it would be operated by a special district or sports commission. The facility would be profitable within a couple of years. With existing relationships and the integration with education and health, what an opportunity this would be.

Tricerri said the land acquisition is in the due diligence phase. Conversation are taking place on access. Although there is no meadowfoam, there are some vernal pools that can be planned around. They have talked with Caltrans regarding access from Estates Drive which is not likely but still being pursued. Caltrans wants to eliminate all stoplights on Hwy 99. Ultimately permanent access would be from the Skyway. A Southgate Drive interchange, which would connect Southgate from Hwy 99 to Skyway, is already planned but would require funding of \$7-\$10 million. This property and vision could be leveraged to get state funding to complete the interchange. It is going to take interagency collaboration to make this happen because the property is in County and is not in the Chico sphere of influence. So far there has been great collaboration to figure out how to make it happen.

5. Community Choice Aggregation (CCA) – Feasibility Study Update
Butte County Assistant Chief Administrative Officer Brian Ring

Ring explained that a CCA aggregates electrical needs, purchases on the open market and sells back to the citizens. The Feasibility Study was presented to the Board of Supervisors last week. It is financially feasible and there are a number of potential positive economic development impacts including that the money saved would likely be reinvested into the community. A Joint Powers Authority (JPA) would govern the organization and could decide to have business incentives. As the CCA matures there would be more funds available to invest in energy related projects to create jobs. Local control is a significant impact of a CCA. The governing body would be appointed by the Board of Supervisors and city/town council's and would choose rates and tailor energy mixes to our region. Consumers would default to the CCA but can choose to opt out and stay with PG&E. To make it feasible the CCA will require participation from both the County and the City of Chico.

The Chico City Council will be considering CCA Study next week. If the City decides to move forward, the Board has directed staff to have community meetings and identify financial startup cost and where the funding would come from. The County is also creating a web page with general information on CCA.

6. Future Meeting Date – November 7, 2018

7. November 7, 2018 Potential Agenda Items

Old Humboldt Road, CoC, EBHB if something new to report, PACE, and Syringe Exchange Program

8. Public Comment – None

9. Adjournment at 4:42 p.m.



LOCAL GOVERNMENT COMMITTEE
City of Chico/County of Butte



NOTICE OF CANCELLATION

MEETING OF NOVEMBER 14, 2018

The November 14, 2018, Local Government Committee meeting has been cancelled due to the CAMP FIRE.