

Economic Development Task Force Quarterly Report, Second Quarter January 2021- April 2021

Background: On August 11, 2020, your Board of Supervisors approved the formation of the Economic Development Task Force (EDTF). Supervisors Simon and Crandell were appointed as Board representatives for Quarter 1. Also appointed included representatives from the Assessor-Recorder, Community Development, Public Works, Water Resources; Administration and Special Districts Departments.

Q2 Changes to Composition: Chairperson Sabatier replaced Supervisor Crandell in Quarter 2.

As a County, we expressed the economic development priorities through Vision 2028 as *“Consider and promote the well-being and economic resilience of every Lake County resident; maintain a transparent County government that is responsive, efficient, effective, and fair; grow our economy and spur creation of quality local jobs by focused economic development, foster a business-friendly environment, pursue funding to strengthen communities.”*

The EDTF recognizes that in order to achieve these outcomes for our communities, it is necessary to identify and address barriers as well as opportunities, to these priorities.

At the first EDTF meeting held October 8, 2020, the task force committed to the three-pronged approach for their review:

- a. **Efficiencies Analysis:** Revenue-generating processes; gaps; streamlining processes; discussion with pertinent departments; recommendations for increasing efficiencies
- b. **Governing plans:** Updates, General Plan, area plans, , possible need for a Unified Development Ordinance, comprehensive plan, strategic economic development plan
- c. **Capacity:** Identifying capacity gaps and discussing ways to address those gaps. and recommendations identified

The EDTF recognizes the power of knowledge and understanding a topic area before taking action or making recommendations. The EDTF seeks to be educated on subject matter so they can advocate for Department Heads and create an environment to speak plainly and present subject matter for the EDTF. Toward that goal, Department Heads would be invited to meetings as subject experts on topics relevant to their department(s).

In Q2 the EDTF identified small groups to work on specific topics and report out to the entire EDTF in monthly meetings.

Second quarter topics were:

1. Electronic payments (Chairperson Bruno Sabatier; CAO Carol Huchingson)
2. Paper Subdivisions (Chairperson Bruno Sabatier, Assessor-Recorder Rich Ford)
3. Full-Circle Project for Infrastructure Growth and Capacity (Supervisor Moke Simon, Special Districts Director Scott Harter, Rich Ford)
4. Updating General and Area Plans; Development of a Unified Development Ordinance, Streamlining Permitting (Community Development Director Scott DeLeon, ACAO Susan Parker, Deputy Director Toccarra Thomas);
5. Housing, Economic Development Models (Chairperson Bruno Sabatier, CAO Carol Huchingson, ACAO Susan Parker, Deputy Director Toccarra Thomas)

1. **Topic: Electronic Payments**

The EDTF identified County-wide acceptance of electronic payments as their first item of discussion in Q1 and carried forward the work in Q2.

Recommendation:

Staff should draft and release a Request for Proposals (RFP) for electronic payment services, as soon as possible.

Action:

The Administrative Office will take the lead in drafting an RFP for electronic payments and will require the input and collaboration of all stakeholder departments, in order to be successful. Anticipated RFP release date: July 31, 2021.

Direct stakeholder departments including but not limited to the Treasurer-Tax Collector, the Auditor-Controller, Information Technology, Special Districts, Community Development, Solid Waste and Animal Control, to participate in the efforts of the Administrative Office to develop the RFP.

Topic: Paper Subdivisions

The Lake County Paper Subdivision Management Plan was adopted by the Board of Supervisors March 10, 2015 but little has been done to move the recommendations of that plan forward. Approximately 10,000 lots were created in the early 1920's without provisions for infrastructure or necessary specifics for development. There are six subdivisions along the northern and eastern shores of Clearlake, one near the east County line along Cache Creek, and three in Cobb. Commonly referred to as 'paper subdivisions' the majority of these lots are undeveloped, often purchased by speculators drawn to the low cost of purchase, and characterized by many undersized lots on steep slopes, little or no access to basic public services such as water, sewer, roads and power. Many are less than 5,000 square feet, some as small as 1742 square feet. A myriad of issues negatively impact the paper subdivisions; soil instability, illegal marijuana cultivation, lack of weed abatement increasing wildfire potential, illegal dumping, OHV use, and other mild to severe nuisance activities. It is very common for these lots to be in tax default.

Recommendation: The 2015 Lake County Paper Subdivision Management Plan spoke of the many issues regarding paper parcels, and spoke of many objectives on reducing the nuisances created by these mostly abandoned paper parcels. However, it does not speak to any long term detailed plan on how to deal with the fact that thousands of individuals' property owners own these parcels and that a collaborative effort to make any of these plans actionable is very difficult. Nor does it provide any future goals for these parcels other than maintaining them as individual parcels. It speaks to this, but does not outline a specific plan rather than specific goals.

It is time we look at the costs of turning these lots into something that can be transitioned into a future development. Whether it be trails, agriculture, sub-divisions or something else, the only way to create such change is to collect the properties into a single entity's ownership and take action from there.

Action: It was decided, due the ongoing work in the City of Clearlake to clean up its issues with the paper parcels within the city limits. The City of Clearlake requested that we look at the properties in the lower Avenues. So far, 1026 individual properties have been identified. More than 30% of the properties are tax defaulted and ready to place on a future tax sale. Once the properties have been acquired by a single

entity (i.e. developer, City of Clearlake), then it becomes an easier incentive to build large scale, versus a single property development where there is no infrastructure. By using economies of scale, it is believed that we can turn these paper parcels into active properties that will no longer be the victims of illegal grows, illegal dumping, or high fire threats to our communities. The City of Clearlake is on board to work with the EDTF and the Tax Collector to place these properties on future tax auctions, and if not sold, we plan to look at reducing the cost of these properties appropriately in order to obtain large blocks of properties to then develop.

Even if it is one block at a time with approximately a dozen properties, that is one more block of development, one less block of nuisances, and one more block that contributes to the tax revenues of the city, schools, fire districts and more, rather than being a burden on local jurisdictions and to the surrounding communities.

2. Topic: Infrastructure growth and capacity through the Full Circle Project

Q2 work on the Full Circle Effluent Pipeline (FCEP) project proceeded with a subcommittee of Supervisor Moke Simon, Rich Ford, and Scott Harter. Initial tasks consisted of reviewing the Preliminary Design Report (PDR) completed in November of 2004 and making contact with previously interested stakeholders. Stakeholder interest was still high and there was support for revisiting the project under current conditions.

The subcommittee recognized that for the project to proceed the PDR needed to be updated; new technologies needed to be considered, potential new stakeholders identified, and new funding sources may be available. In early April an opportunity presented itself for funding the PDR update through a Community Project Request working in conjunction with Congressman Thompson's office. The subcommittee staff worked closely with County Administrative staff and the Congressman's staff over the course of the next month to provide detailed project information for a Community Project Funding application within the Congressman's District for the upcoming Federal Budget Discussions. As a result, Congressman Thompson has requested a funding earmark in the amount of \$400,000 for the Full Circle PDR update.

The immediate impact of completing the Full Circle Effluent Pipeline Preliminary Design Report Update (PDR Update) and subsequent project completion includes replenishing and promoting healthier watersheds as a direct result of installing a pipeline to capture and transport treated effluent which currently discharges to land application in the communities of Lakeport, Finley, and Kelseyville. Construction of the pipeline will also allow for the future installation of public sewer systems in the Clearlake Riviera communities further reducing the impact of septic systems on the water quality of Clear Lake.

Once installed, the Full Circle Effluent Pipeline will increase the production of geothermal power to help offset a reliance on less environmentally friendly forms of power generation (typically fossil fuels, nuclear, or hydroelectric). In the Geothermal market, some firms within our county have had difficulties producing a viable business. These difficulties have led to lower property tax valuations than they would be otherwise if the business was viable. This project can create greater property tax valuation and benefit the local agencies that rely on this revenue base, namely; Schools, Cities, Counties and other smaller local agencies. Another potential use for the treated and recycled wastewater would be to supply agriculture needs in the Big Valley groundwater basin, lessening the demand on groundwater sources and providing greater resiliency against drought.

Recommendation: Funding for the PDR Update through the Community Project Funding request will be determined through the Federal budget process later this fall. Special Districts and Administration will continue to explore planning grant funding opportunities and implementation plan to analyze all aspects of initiating this long-term significant infrastructure project including all phases of engineering, capital funding, and construction feasibility analysis and service fee studies.

Action: Tasks for the upcoming quarter will be to prepare the Request for Proposals (RFP) and engage engineering firms who may be interested in the PDR Update project with the expectation that if funded the RFP can be advertised and a firm selected in a timely manner. Further discussion will also occur with project stakeholders to help better define the roles and expectations of involved parties as the project moves forward.

3. **Topic: Updating General and Area Plans; Development of a Unified Development Ordinance, Streamlining Permitting**

The State of California has added the requirements of inclusion a number of additional elements into the General Plan (i.e. a climate action plan, other environmental elements) which will need to be incorporated during the update. Community Development Department (CDD) has funding set aside in the proposed budget for FY 21-22 for issuing a RFP for updating some elements of the County's General Plan but additional funding will need to be identified for updating all elements of the General and Area Plans.

On-going vacancies in CDD have paused operational analysis of streamlining permitting and development of a Unified Development Ordinance.

Recommendation: EDTF recommends issuing a RFP for updating the General Plan in fall 2021.

Action: The EDTF will provide a mid-end summary Q3 to include estimated costs, and time frame, if indicated.

4. **Topic: Housing and Economic Development Models**

The EDTF invited Department of Social Services (DSS) Director Crystal Markytan and Housing manager Kelly Page to present an overview of the housing programs currently overseen by DSS, as the County of Lake does not have a designated Housing Department or Authority. DSS is overseeing three housing programs:

- Housing Choice Voucher Program (Section 8)
- Home Investment Partnerships Program
- Housing Disability Advocacy Program (HDAP)

Many small rural counties have chosen to become integrated into larger regional housing models. This current model of housing being overseen by DSS lacks alignment with their mission of delivery of social services and is straining the resources of DSS.

Recommendation: The EDTF recognizes the need for continued discussion on what a Housing Authority would or housing development team would look like and recommends that the EDTF or a Housing Task Force continue researching potential models and/or partnerships.

Action: Further explore the Housing/Economic Development option with the Community Development Department.