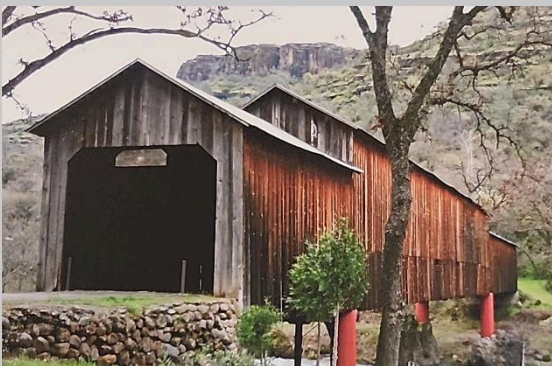


***BUTTE COUNTY
GRAND JURY
FINAL REPORT
2025 - 2026***



June 5, 2026

BUTTE COUNTY

GRAND JURY

2025 – 2026

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June 5, 2026

The Honorable Jesus A. Rodriguez

Butte County Superior Court
1 Court Street
Oroville, CA 95965

Dear Judge Rodriguez,

The 2025 - 2026 Butte County Civil Grand Jury respectfully submits our final report to Butte County and the Butte County Superior Court in accordance with California Penal Code §933.05.

Grand Jury Formation and Training

The Grand Jury was recruited through a letter sent out to over 7,500 randomly selected residents of Butte County. A list of volunteers responding to the letter was further refined to nineteen individuals through an interview process conducted by the Butte County Superior Court. After impanelment, the Grand Jury was sworn in, completed a comprehensive two-day training program, and attended a subsequent Report Writing Workshop. This essential education was provided by a team from the California Grand Jury Association and funded by the Butte County Superior Court.

Mandatory Duties and Activities

The Grand Jury completed the mandatory inquiry of the Butte County Jail and Butte County Juvenile Hall detention facilities. Tours were offered to all interested jurors, and staff answered questions and provided valuable information to jurors who attended. Additionally, three jurors participated in the Butte County Election Division's Logic and Accuracy Testing and observed election night vote tabulation.

Investigative Work

The Grand Jury received complaints during our term. Jurors carefully reviewed and gave thoughtful consideration to each of these complaints. In total, the Grand Jury completed numerous inquiries resulting in the investigative reports contained within this submission.

The members of the Grand Jury spent considerable time collecting information, conducting interviews, researching applicable laws, and evaluating evidence for each report. We believe these efforts have resulted in thorough and fair assessments that will benefit our community. In addition, this year's Grand Jury visited all the major school districts, police departments, and towns and cities in the county. These visits were performed by teams of jurors to establish rapport, deepen relationships, and inquire as to the current operations of each of these county entities. This year's jury, as per required by law, toured the Butte County Jail, Butte County Juvenile Hall, and the new Felony Incompetent to Stand Trial (FIST) facility.

Acknowledgments

We sincerely appreciate the support and guidance that allowed us to be successful in our roles. This support was graciously provided by the Butte County Superior Court, Court Service Staff, County Staff, County Counsel, and yourself. Your leadership and assistance throughout this process have been invaluable to our work.

It has been an honor to serve the citizens of Butte County in this capacity, and we trust that our findings and recommendations will contribute to the continued improvement of county services and operations.

Respectfully submitted,

Larry E. Jessee

Foreperson

2025 - 2026 Butte County Civil Grand Jury

2025 - 2026 Butte County Civil Grand Jury

Mission Statement

The 2025 - 2026 Butte County Civil Grand Jury is responsible for reviewing various levels, branches, and agencies of local and county governments. These reviews are conducted to ensure the various government branches and agencies are performing their duties and operating in an appropriate manner which best serves the citizens of Butte County. When necessary, the Grand Jury may also hear and determine the appropriateness of certain criminal indictments.

The Role of the Butte County Civil Grand Jury

The Butte County Civil Grand Jury is mandated by Article 1, Section 23 of the California Constitution. It operates under Title 4 primarily Penal Code sections 888-939.91, of the California Penal Code, Sections 3060-3074 of the California Government Code, and Section 17006 of the California Welfare and Institutions Code. All fifty-eight counties in California are required to have grand juries.

The Grand Jury in California has several functions:

- To serve as a public watchdog organization.
- To annually explore the operations, accounts and records of officers, departments or functions of the county, including special districts.
- To explore the conditions and operations of jails and prisons within the county.
- To respond to allegations of misconduct against public officials and establish whether formal accusations should be presented requesting removal from office.
- To weigh criminal charges and determine if indictments should be returned.

The Grand Jury has the authority to investigate the following:

- Public records within the county.
- Records or books of any incorporated city or joint powers authority located in the county.
- Certain housing authorities.
- Taxing or assessing agencies with special purpose, entirely or partly within the county.
- Nonprofit corporations established by or operated on behalf of a public entity.
- All portions of the county and city government, including special districts.
- Records, books, and financial expenditures of government agencies including cities, school boards, and commissions.

History of Grand Juries

In the 18th century, the greatest experiment in human governance began: a new nation founded on a system of citizen-led democracy. In a world dominated by monarchs and dictators, this radical idea of a citizen-run government was met with derision, skepticism, and war. Citizen-led democracy, over 240 years, has proven to be the greatest form of government the world has ever known, creating opportunity for prosperity, peace, and harmony for all who desire it.

The Massachusetts Bay Colony impaneled the first American grand jury in 1635 to consider cases of murder, robbery, and wife beating. Colonial grand juries expressed

their independence from the crown by refusing in 1765 to indict leaders of the Stamp Act or bring libel charges against the editors of the Boston Gazette. The union with other colonies to oppose British taxes was supported by a Philadelphia grand jury in 1770. By the end of the colonial period, the grand jury had become an indispensable adjunct of government.

The model of the citizen-run government elevates the requirements of a nation's occupant. Freedom comes with responsibility and requires dedication of time and resources from every citizen. The grand jury serves as one of these responsibilities, crucial to the health and continuity of our society. The grand jury serves as a structure for citizens to voluntarily engage with their local government in a position of authority and acting in a confidential manner.

The grand jury has autonomy to investigate any area of county or city government, and the right to subpoena information if not satisfied with what is provided. The grand jury is a constituent part of the superior court, created for the protection of society and the enforcement of law. The grand jury is free to follow its own inclinations in investigating local government affairs.

The grand jury may act only as a whole body. An individual grand juror has no more authority than any private citizen. Citizens can refer issues of government misconduct to the grand jury, who may proceed with an investigation if deemed appropriate. The subjects of investigations or departmental reviews are determined solely by the grand jury and remain confidential until the end of the one-year term.

Annual Final Report

At the close of the grand jury term, the grand jury submits the final report to the superior court. This report provides an account of the activities and investigative findings and recommendations conducted by the 2025 - 2026 Butte County Civil Grand Jury. The final report is the voice of the entire grand jury, compiled and voted on by all.

Operational Penal Code Section

Reports issued by the grand jury do not identify the individuals who have been interviewed. Penal Code section 929 requires that reports of the grand jury not contain the name of any person or facts leading to the identity of any person who provides information to the grand jury.

2025 - 2026 Butte County Civil Grand Jury Members

Larry E. Jessee, *Foreperson*



Roger Baker, David Cooper, Brenda Crotts, Wendy Deen, Glenn Graves,
Debbie Hatfield, Stuart Haynes, Kathleen Kaiser, Kary Lasek-Morton,
Gina McCammon, Abigail Mebrahtu, Bruce Racheter, Sonya Seigel, Marla Stratton,
Tony Steele, J. Curtis Struble, Shelly Wetmore

We wish to acknowledge those jurors who initially served with the 2025 - 2026 Butte County Civil Grand Jury but were unable to complete their term. We thank them and appreciate the time they were able to serve.

BUTTE COUNTY CIVIL GRAND JURY 2025-2026 DETENTION FACILITIES INQUIRIES STATEMENT

OVERVIEW

Penal Code section 919(b) obligates the grand jury to “inquire into the condition and management of the public prisons within the county.” In 2022, the California Attorney General issued an opinion (No. 18-103) stating the term “public prisons” includes “local detention facilities,” and that a county or city jail is a typical example of such a local detention facility.

The purpose of this document is to provide information about how the Butte County Civil Grand Jury fulfilled this duty.

While Penal Code section 919(b) requires this inquiry, it does not require the grand jury to conduct an investigation or to write a report about local detention facilities. In fact, a report cannot be written based solely upon an inquiry. To write a report, a full investigation is required and all the facts in the report must be verified. (See Penal Code section 939.9.)

LOCAL DETENTION FACILITIES WITHIN BUTTE COUNTY

There are two local detention facilities within Butte County (Butte County Jail and the Butte County Juvenile Hall) and one future Felony Incompetent to Stand Trial (FIST) facility. Each facility is operated by the county. The grand jury fulfilled its duty to inquire into these facilities through a variety of methods.

- Butte County Jail: On September 23, 2025, grand jurors were given an overview and tour of the facility by Sheriff’s Department staff.
- Butte County Juvenile Hall Facility: On September 24, 2025, grand jurors were given an overview and tour from Probation and Juvenile Hall Department staff.
- Butte County FIST Facility: On January 23, 2026, grand jurors were given a tour and overview of the new Butte County FIST facility by the Butte County Behavioral Health Department staff.

CONCLUSION

The grand jury’s legal obligation to inquire into the condition and management of each local detention facility within the county was satisfied by touring the jail, juvenile hall and FIST facility, reviewing documents, and interviewing Sheriff’s Department, Probation

Department, Juvenile Hall Department, and FIST staff and Behavioral Health Department regarding their operations.

California Penal Code

The 2025 – 2026 Butte County Grand Jury Final Report has been filed on this date pursuant to California Penal Code §933. A copy of the report is enclosed.

§933.

(a) Each grand jury shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to county government matters during the fiscal or calendar year. Final reports on any appropriate subject may be submitted to the presiding judge of the superior court at any time during the term of service of a grand jury. A final report may be submitted for comment to responsible officers, agencies, or departments, including the county board of supervisors, when applicable, upon finding of the presiding judge that the report is in compliance with this title. For 45 days after the end of the term, the foreperson and his or her designees shall, upon reasonable notice, be available to clarify the recommendations of the report.

(b) One copy of each final report, together with the responses thereto, found to be in compliance with this title shall be placed on file with the clerk of the court and remain on file in the office of the clerk. The clerk shall immediately forward a true copy of the report and the responses to the State Archivist who shall retain that report and all responses in perpetuity.

(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.

(d) As used in this section "agency" includes a department.

(Amended by Stats. 2002, Ch. 784, Sec. 538. Effective January 1, 2003.)

§933.05.

(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding. (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action. (2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation. (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report. (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

(Amended by Stats. 1997, Ch. 443, Sec. 5. Effective January 1, 1998.)

CHICO'S DOWNTOWN PARKING KIOSK SYSTEM

June 5, 2026

SUMMARY

The Butte County Civil Grand Jury investigated the City of Chico's parking kiosk system based upon complaints that its unwieldiness was causing longstanding customers of downtown businesses to avoid the area. The kiosks, which were recommended in the 2019 Downtown Access Action Plan, went fully live in March 2023.

The Grand Jury found that the user interface initially installed on the kiosks was hard for some drivers to read and offered instructions that occasionally caused confusion. The City staff was responsive to user complaints and installed new interface software in November 2025. The Chico Police Department reports that issuance of citations is falling, suggesting that the improvements may be having the desired effect.

The Action Plan called for a public information campaign to prepare people for the transition to kiosks. While some efforts were made they were not sustained. The Grand Jury recommends that the City conduct a renewed public information campaign to encourage installation of a parking app that can be installed on drivers' smartphones as an easy way to pay for parking.

GLOSSARY

To aid in understanding certain terms in this report, the following definitions are provided:

"Downtown Access Action Plan" - The March 25, 2019 report prepared for the City by Dixon Resources Unlimited which analyzed options for modernizing Chico's parking meter system and recommended adoption of the Passport kiosk system then in use at CSU, Chico.

"Zone One" - The downtown business area bounded east to west by 1st to 5th Streets and north to south by Salem to Flume Streets. Parking in this area is limited to two hours.

"Zone Two" - The remainder of the core downtown business area extending east to west from 5th to 9th streets and north to south from Salem to Flume.

“Smart Meter Kiosks” - Equipment that the City of Chico deploys to register payment for use of a parking space. One kiosk generally serves as the pay point for one side of the street for an entire block in the 2-hour parking zone.

“Passport Payment System” - The company that provides payment software, payment processing and a parking app for the kiosks used by the City of Chico.

“Turnover” - The frequency with which vehicles enter and exit a given parking area.

“Occupancy Rate” - The percentage of parking spaces occupied by a vehicle at a given time.

BACKGROUND

The City of Chico has used parking meters to encourage turnover of on-street parking in the core downtown area since 1955. The proximity of what was then the City’s main shopping district to California State University, Chico (CSUC) saw much of the store front parking taken up by students who occupied spaces longer than customers. Requiring payment created an incentive for drivers to park their vehicles in free spots further from the business district.

The current objectives of the City’s parking program are largely consistent with those of the original plan: Price parking at a level that encourages turnover and allows recovery of the costs to install, maintain and enforce the system. Parking fines and fees are not designed to increase the City’s general revenue. Rather, the fees aim to encourage efficient use of limited on-street parking. In the highest density area, Zone One, parking is limited to two hours with the intention of creating an 85 percent occupancy rate. That level is considered an industry standard for the trade-off between the scarcity value of on street parking and the likelihood of finding space within a block or so of the driver’s destination. The 10-hour Zone Two, located just outside of Zone One (see map), allows longer term parking for employees of businesses within the high occupancy area.



The image shows a map of parking lots in Chico's core downtown area.

The technology used by the parking system has changed over time. Many original mechanical meters that operated by inserting coins and turning a dial were replaced in 2015 by smart meters that accepted credit cards. The smart units proved to have a number of drawbacks. They were powered by batteries and a small solar cell. Those that were installed in the shadow of a tall building experienced a high rate of battery failure. They cost around 1500 dollars each and served only one parking space. Unlike the mechanical meters that could be repaired by city staff, more complex repairs to the electronics of smart meters required shipping the unit to the manufacturer. Moreover, both the newer smart meters and the old mechanical type were targets of theft and vandalism. City staff reports that such incidents particularly increased after the Camp Fire, when locks were sometimes punched out of all meters on a block. The loss of coins was manageable but replacing the meter's locks and access doors commonly cost 75 to 200 dollars each.

In the face of these limitations the City engaged Dixon Resources Unlimited to produce a detailed Downtown Access Action Plan, which it delivered in March 2019. Dixon conducted surveys of stakeholders, analyzed parking use in downtown Chico and compared smart parking systems used by a number of west coast cities comparable in size to Chico. The firm noted that Chico State had already deployed Smart Kiosks

running the Passport payment system a few years earlier. Installation of a different system in downtown Chico could cause confusion on the part of drivers who park in both areas. Consequently, Dixon recommended that Chico use the same equipment and payment system. The City also accepted its recommendation that parking enforcement be done by vehicles equipped with License Plate Reader (LPR) technology which download payment information from the smart kiosks and compare it with the plates of vehicles parked in the zone. Chico did a limited test deployment of the kiosk system in 2022 and implemented it fully in March 2023.

DISCUSSION

The smart kiosks have worked very well from the standpoint of reliability, security and enforcement. Kiosks are located one per side of the street on each block of the two-hour zone. They have much sturdier protection for the coin vault, whose greater capacity reduces the frequency of collections; to date, none of the kiosks has been broken into. Work hours for maintenance is about one-fourth that of the previous smart meters and costs are reduced considerably. Enforcement is also much easier as LPR-equipped vehicles can drive slowly through parking zones automatically issuing citations for violations.

Public acceptance of the new system has been more problematic though the evidence is anecdotal rather than based upon a scientific survey. There have been complaints that the kiosk user screen is hard to read and the instructions are unnecessarily complicated. Some accounts highlight difficulties with parking as a significant contributor to the closure of decades-old businesses such as Colliers Hardware, Tomfoolery and Smokin' Moes. Business owners relate that they have stepped out of their stores to help frustrated drivers pay for parking. There are accounts that some longtime customers simply refuse to shop downtown because of difficulties with the new system. Some press reports and letters to the Chico Enterprise Record have reflected this negative sentiment. The City's Department of Public Works acknowledges that it has received several complaints about the kiosk user interface. Based upon this feedback, Public Works deployed a new interface in November 2025 that:

- replaced a background picture that could obscure instructions with a plain screen;
- edited or eliminated steps and instructions that complaints identified as confusing; and
- simplified the data entry requirements.

The Grand Jury commends the Department of Public Works for welcoming feedback and acting upon it. That Department reports that complaints have fallen since the November 2025 rollout. Chico Police Department enforcement personnel likewise say that the number of citations being issued has fallen, suggesting that drivers find it easier to comply.

The 2019 Downtown Access Action Plan contained a chapter on “Education and Outreach” that offered recommendations to ease the transition to a smart kiosk system. This included using the Go! Downtown Chico Website for this purpose, creating on-line video instructions, using social media to familiarize Chico residents with the system, and using the Downtown Ambassador’s program to help users. The latter recommendation was deployed but others were either not acted upon or not pursued in a sustained fashion. For example, Grand Jurors found that the Go! Downtown Chico webpage was two years out of date and only one instructional video with distracting background noise came up on a web search. After Jurors pointed this out to City staff they updated the parking information on the Chicoca.gov website.

METHODOLOGY

The Civil Grand Jury collected information through the following means and from the following sources:

- Conducted nine in person interviews with City of Chico employees, elected officials, the Downtown Business Association staff and downtown building owners.
- Reviewed and used the City of Chico website.
<https://www.chicoca.gov>
- Reviewed and used the Downtown Chico Business Association website.
<https://www.downtownchico.com>
- Reviewed City of Chico, CA Downtown Access Action Plan
<https://chicoca.gov/Departments/Public-Works/Traffic-Engineering/Downtown-Access-Plan/>
- Reviewed Amendment No.2 City of Chico – Contractual Services Agreement. Turbo Data Systems Contractor. Processing of Parking and Administrative Citations, Permit Management, and Ticket writers Project Title. 853-000-8801/50287-853-4180 Budget Account Number AMENDED EXHIBIT C
- Chico Enterprise Record Letters:
 - How parking is killing our downtown 10/29/24
 - Lose the parking meters, and revitalize downtown 2/17/26
 - Downtown Chico is very much alive 2/19/26

- No parking in Chico? Try parking and walking 2/1/26
- City business association roll out downtown parking incentives 1/4/23
- Chico updates downtown parking kiosks, signs for easier use 12/6/25
- Downtown parking kiosks will accept mobile payment 1/21/23
- Downtown parking fees getting revamped 1/7/23

FINDINGS

The Butte County Civil Grand Jury finds:

F1. Smart kiosks offer cost and maintenance advantages to the City. Consumers have commented that the Passport system phone application is easy to use. The City will find it worthwhile to encourage widespread adoption of the application.

F2. The City's efforts to educate the public and assess community impact after implementation were insufficient. Some of these efforts have been made by partners such as the Downtown Chico Business Association. If the City chooses to work with outside groups to promote and explain use of the system, it should nonetheless provide effective oversight and strong leadership of the effort.

RECOMMENDATIONS

The Civil Grand Jury recommends:

R1. The Chico City Council direct the City Manager to develop, either itself or using a partner group, a short instructional video on how to use the smart kiosk and how to download and use the Passport phone application. The video should be posted to appropriate websites and widely-used social media.

R2. The Chico City Council direct the City Manager to review the Go! Downtown Chico website with the Chico Downtown Business Association to determine how its parking information can be updated and improved.

R3. The Chico City Council direct the City Manager to conduct quarterly reviews of Chico parking information on City and partner websites to ensure that they are accurate and up to date. Such reviews should particularly be conducted when the City updates the kiosk system interface to ensure that changes are reflected in publicly available information.

REQUIRED RESPONSES

The following responses are required, pursuant to Penal Code sections 933 and 933.05:

- Chico City Council: respond to F1, F2 and R1-R3 within 90 days.

DISCLAIMER

Reports issued by the Grand Jury do not identify the individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts that could lead to the identity of any person who provides information to the Grand Jury.

2025-2026 Butte County Civil Grand Jury

June 5, 2026

City of Oroville

Good Intentions Gone Awry

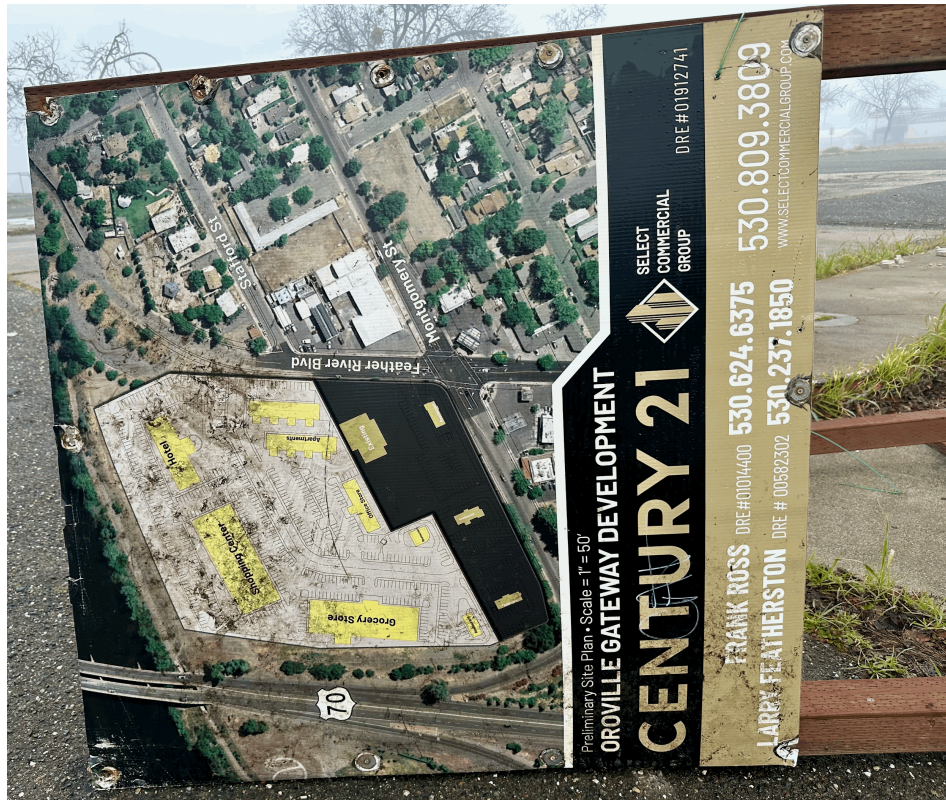


Photo shows a real estate sign tipped over at the Gateway property on January 23, 2026.

INTRODUCTION & SUMMARY

The City of Oroville owned multiple undeveloped land parcels within the city limits between Feather River Blvd. and Highway 70, collectively known as Gateway. In the summer of 2012, the City executed an agreement with Snyder Commercial Real Estate, Inc., for the latter to develop Gateway. The intent was to establish a welcoming portal to the City, drawing people from outside the community and tax revenue. Under the terms of this agreement, the City retained ownership of Gateway.

After nearly a decade passed with few improvements made to the Gateway properties, the Oroville City Council determined that a new direction was needed. At a meeting of the City Council on April 6, 2021, a new developer (later incorporated as CMG Project 1200, LLC) gave a presentation proposing that it develop Gateway. As stated in the City Council meeting minutes “The council provided direction to staff to proceed forward with discussions and the development of an agreement...”

On June 7, 2022, the City Council unanimously authorized the Mayor to execute an Amended and Restated Master Disposition and Development Agreement with CMG Project 1200, LLC. Under the terms of this agreement, the new developer purchased the Gateway parcels for the total sum of One Dollar (\$1.00). Snyder Commercial Real Estate, Inc. received Ten Thousand Dollars (\$10,000) from the City of Oroville “as reimbursement for some of its advertising and marketing expenses related to the Master Disposition and Development Agreement.”

Unfortunately, little has been done since to develop the properties. Concerns about the lack of progress, the viability of the present contract with the developer, and the financial costs to the taxpayers of Oroville, prompted the City Council to commission a study. Municipal Resource Group, LLC was hired to research and analyze the Gateway Project and it published a report in September 2025.

The 2025-26 Civil Grand Jury became aware of the unresolved issues attending to the Gateway Project and commenced an investigation beginning in early January, 2026. We examined:

- the history and ongoing status of the Project;
- how the present contract was awarded;
- aspects and omissions of the contract itself, and;
- the subsequent lack of action on the part of the developer.

During the course of our investigation, the Civil Grand Jury researched events and interviewed people that have directly impacted the City of Oroville and its 20,000 residents. Local government has an undisputed responsibility to make decisions in the best interests of the people they serve. Throughout the investigation, our intent was to make things even better than they are now. While much of the information we will share has been captured by the news media, we had the unique opportunity to meet firsthand with participants and review documents that are not available to the public. With this in-depth knowledge, we offer recommendations for consideration by the City of Oroville in the hope that it will be better able to serve the people who live in, work in, and visit this beautiful city.

BACKGROUND

Incorporated cities and towns typically have a City Administrator or City Manager who reports to the City Council. In many communities, the elected Council sets policy and charges the City Administrator/Manager with implementation and overseeing operations. This creates a layer of separation between the City Council and City employees. Oroville does not have this layer of separation; its Council appoints and evaluates the City Administrator and all department heads. In order of decreasing population, the largest incorporated municipalities in Butte County are Chico, Oroville, Paradise, Gridley, and Biggs. In the top three, Oroville is the only municipality that has department heads reporting directly to the City Council. Unfortunately, this has resulted in confusion regarding City Council members' ability to give direction to City employees.

In the City of Oroville, legally binding agreements are brought to the City Council for review and approval. An agreement/contract is included in an agenda packet which is sent to all members of the City Council in advance of the scheduled meeting. This takes place only after documents are reviewed and approved by the City Attorney. The agendas and packets are then made public on the City Council's web page in advance of the meeting. If the City Council's vote approves the item at the scheduled public meeting, then the body as a whole has given authorization for the Mayor and/or City Administrator to sign the corresponding document.

The Brown Act and Rosenberg's Rules of Order are both referenced in the City's Municipal Code. The Ralph M. Brown Act was passed in California in 1953. The law was created to ensure public access to the meetings of local legislative bodies which includes City Councils. Its primary purpose is to promote transparency and accountability in government decision-making processes by requiring that deliberations

and actions take place openly. The Brown Act requires that public agencies (including Oroville City Council) conduct business in a manner that is accessible and visible to the public. Additionally, the Brown Act and California Government Code Section 54963 forbid unauthorized disclosure of confidential closed session information. This was critical to understand when investigating the proceedings of the Oroville City Council.

METHODOLOGY

The Grand Jury collected information through the following means and from the following sources:

- Conducted twenty in person interviews with City of Oroville employees, community members, and elected officials.
- Reviewed and used the City of Oroville website. <https://www.orvilleca.gov>
- Reviewed prior Butte County Civil Grand Jury reports which contained findings and recommendations for the City. <https://www.buttecounty.net/1208/Grand-Jury>
- Reviewed the City of Oroville's responses to the findings. <https://www.buttecounty.net/DocumentCenter/View/11253/22-23-City-of-Oroville-Response-PDF?bidId=>
- Reviewed the City of Oroville's Municipal Code. <https://ecode360.com/OR4980>
- Reviewed "The Gateway Project Confidential Administrative Fact-Finding City of Oroville" report completed by the Municipal Resource Group, LLC in September 2025 and made public by the City of Oroville City Council. <https://bloximages.newyork1.vip.townnews.com/actionnewsnow.com/content/tncms/assets/v3/editorial/9/9a/99a2989a-110a-40af-bebb-80b9d0305288/68f154d4abaf0.file.pdf>
- Watched video recordings of Oroville City Council meetings, reviewed meeting packets, reviewed meeting minutes. <https://www.orvilleca.gov/444/Agenda-Minutes>
- Researched LLC documentation filed and publicly available with the California Secretary of State. <https://bizfileonline.sos.ca.gov/search/business>
- Researched property records through Butte County. <https://gisportal.buttecounty.net/portal/apps/webappviewer/index.html?id=e8ee08e0672d48c8862fd3233e394027>
- Reviewed the City's Legal Services Agreement with Cole Huber, LLP.
- Referenced the California Civil Code, Government Code, and Penal Code. <https://leginfo.legislature.ca.gov/>
- Researched property for sale in Oroville, CA.

DISCUSSION

Approval of Binding Agreements:

Prior to the June 7, 2022 Oroville City Council meeting, City Council members received a 357 page agenda packet. Within the packet the Agenda included Item 16 which read “AMENDING THE MASTER DISPOSITION AND DEVELOPMENT AGREEMENT WITH CMG PROJECT 1200, LLC FOR THE DEVELOPMENT OF THE GATEWAY PROPERTY”. Attached documents for Item 16 included a Staff Report from the City Administrator with a recommendation to “Adopt Resolution No. 9059 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AN AGREEMENT WITH CMG PROJECT 1200, LLC. FOR THE DEVELOPMENT OF THE GATEWAY PROJECT (Agreement No. 3420)”. The attached agreement stipulated the sale of 12.9 acres by the City to a developer with the intent that the developer would meet five phases of project completion. However, the attached agreement was incomplete. EXHIBIT 1 LEGAL DESCRIPTION, EXHIBIT 4 GRANT DEED, and EXHIBIT 5 MILESTONE SCHEDULE appeared as blank pages with the warning “(TO BE ATTACHED BEFORE SIGNING)”. The meeting minutes posted on the City of Oroville web page are incomplete and inaccurate. At the top of the first page it shows “The agenda was posted on March 1, 2019 at 12:05pm.” It does not contain a record of council member votes and therefore, does not show whether or not items were approved. In order to confirm the voting record, we watched the meeting video linked on the City web page. For members of the public who want to watch the meeting, it is available at <https://youtube/pRf5WhPQ5CA> and the applicable time in the video is 57:10 to 1:13:10. As verified in the video, the council voted unanimously on June 7, 2022 to authorize the Mayor to execute the agreement.

After the fact, when CMG Project 1200, LLC failed to make progress on the project, it was determined that the section of the agreement detailing performance expectations for the project was missing from the final executed agreement (“Exhibit 5 - Milestone Schedule”). What was included instead was a blank page that showed “EXHIBIT 5 MILESTONE SCHEDULE (TO BE ATTACHED BEFORE SIGNING) (FOR FORM ONLY - DO NOT SIGN)”. Even with this language appearing in the document, the Mayor signed it. There was no date next to the Mayor’s signature and we were unable to determine when he signed it. The contract was also signed by the City Administrator. While other parties are involved in the preparation of documents for the City Council, the responsibility of reviewing, understanding, and voting on agreements for the City lies with the City Council as a whole. After lack of progress during the following three years, the City hired a third party to investigate what took place. The details are outlined in a

188 page third party investigation report which was initiated by City Council and made available to the public by City Council.

The sale of the property for One Dollar (\$1.00) was far below fair market value. This was intended to serve public interest; however, the omission of Exhibit 5 and at the very least, a reverter clause, resulted in a significant loss of legal leverage and financial resources to the city. Not only did the city lose 12.9 acres of land, it continues to incur legal expenses to navigate next steps on how to address the situation. As of January 2026, the property was listed for sale effective 4/1/2025 for \$5,338,704 and had not been developed.

The City Council's failure to comprehensively review legal documents prior to approval is a violation of Oroville Municipal Code § 2.16.020 Responsibilities of Public Office which states "Public officials and employees are bound to observe in their official acts the highest standards of performance and to discharge faithfully the duties of their office, regardless of personal consideration. Recognizing that the public interest must be their primary concern, their conduct in both their official and private affairs should be above reproach." (Ord. 1405 § 1) Failure to ensure legally binding agreements are complete prior to approval does not meet this standard.

Contracted Legal Services as City Attorney

City Attorneys have a primary role in guiding City Council members and city officials on compliance, conflicts of interest, and contracts. As stated in the Oroville Charter "The city attorney shall be legal advisor of the council and all other city officials. He or she shall draft all ordinances, resolutions, contracts or other legal documents, or proceedings required by the council, or other officials, except as may be otherwise provided." The City Attorney is listed as an officer for the City of Oroville along with the Mayor, six members of the City Council, a City Clerk/City Administrator and all City department heads. The City Attorney is the only role contracted to a third party.

Accessibility to the Public

In our attempts to meet with members of the Oroville City Council, we experienced challenges in making contact. Some emails and voicemails we submitted to City Council members and a City Department via the information provided on the City website were reported to have never been received. In some cases, it took three efforts of outreach to make contact. There was no feedback or automatic reply regarding when a response might be received. The City of Oroville responded to a prior Civil Grand Jury in August 2023 regarding a similar topic. The response stated "City of Oroville agrees that it can improve employee training and implementation of technology resources available to its staff to enable better communication with the public." We are unaware of the specifics of

previous challenges; however, our own experiences during this grand jury term confirmed that improvements are still needed.

Structure of the City Government and Conduct under the Municipal Code

A common complaint heard by the Grand Jury was that some City Council member(s) have directed and exerted pressure on other Council members and city employees. Our research into this complaint uncovered multiple interactions involving City Council member(s) that were considered inappropriate, unprofessional, and in some cases intimidating. These interactions impacted other City Council member(s), city employees and members of the public. This led the Grand Jury to investigate how the City Council should operate according to the Oroville Municipal Code and compare that to what was reported to us. The Oroville City Council has not imposed sanctions allowed under Oroville Municipal Code § 2.16.150 for violation of § 2.08.010: “Councilmembers and committee not to issue orders to subordinates. No councilmember or committee shall issue any order or direction to any officer or subordinate. (Code 1954 § 2.10)”

Another section of Oroville’s Municipal Code (§ 2.08.100) states “No member of the city council, officer or employee of the city, or any other person present during a closed session of the council shall disclose to any person the content or substance of any discussion which took place at said closed session unless the city council shall authorize the disclosure of such information by majority vote.” This is intended to protect confidential information discussed by council members in closed session meetings. It was shared with us that there have been numerous leaks of information from closed sessions and as a result, there is no confidence that what is discussed will stay confidential. A city investigation into breaches of confidentiality was inconclusive.

The City Council created a handbook that clearly stated expectations for City Council members and established procedures through which issues can be addressed. The City Council officially adopted an “Elected Officials Guiding Principles Handbook” on December 17, 2024. The full content was included in the Agenda Packet available publicly on the City of Oroville web page (see full content in Appendix A to this report). However, fifteen months later, only three of seven City Council Members have signed the document.

The City of Oroville’s own response to a recommendation made by the 2022-2023 Civil Grand Jury summarizes these challenges well. It stated “...the actions of elected officials are ultimately in the hands of, and controlled by, the constituents who elect them.” The following sections in the report contain findings and recommendations, and it is entirely possible the City Council will disagree with what we state. Our sincere hope is that the City Council (as a body) will strongly consider our recommendations with the intent of improving local governance.

FINDINGS

The Butte County Civil Grand Jury finds:

F1. As a result of the Gateway Project agreement being approved by City Council and signed without Exhibit 5 - Milestone Schedule, the City sold property for \$1.00 with no documented performance guarantees or reverter clause. This loss of City land and the resulting legal fees to pursue a solution negatively impacts all people paying taxes to and receiving services from the City.

F2. The City's legal resources and approval processes were insufficient, allowing a contract to move forward for City Council vote and execution even though it did not contain all of the crucial content. This resulted in a significant loss of City assets without the intended gain of the Gateway development.

F3. When members of the public are not able to consistently and reliably make contact with elected officials, it has a negative impact on the City's ability to engage with the public and best serve the needs of the people represented.

F4. In the past, some City Council Members repeatedly exerted pressure on and gave direction to city employees, violating the Oroville Municipal Code. This negatively impacted the City's operations while resources were used to respond to, address, and/or avoid the behavior.

F5. The City Council voted to adopt the "Elected Officials Guiding Principles Handbook" on December 17, 2024 to "promote ethical and responsible governance...". As of April 7, 2026 only three of seven council members have signed the document and the public has not been informed of missing signatures.

F6. The Oroville City Council does not have a mechanism to share with the public the status of prior agenda items requiring action by City Council members.

F7. Violation of confidentiality required by City Council closed sessions resulted in concerns the City Council is unable to effectively discuss sensitive and confidential topics. This is a violation of § 2.08.100 in the Oroville Municipal Code and negatively impacts the City's efficiency and effectiveness when working to resolve complex legal issues.

RECOMMENDATIONS

The Butte County Civil Grand Jury recommends that:

R1. Effective immediately, Oroville City Council members should read all content provided to them in each meeting agenda packet. Votes should be delayed until each City Council member reviews and is ready to vote on complete contract content.

R2. The Oroville City Council should research and consider remedies available to the City under the contracted law firm's professional malpractice insurance due to the omission of a document in the Gateway Agreement when the City Attorney signed the form under "APPROVED AS TO FORM AND CONTENT".

R3a. The Oroville City Council should instruct the City of Oroville IT Department to test voicemails and emails from outside of the city systems, specifically using the contact information and links published on the city website for City Council members. Ensure voicemails and emails are readily accessible and received by the City Council members. Testing should be completed and changes, if needed, implemented by January 31, 2027.

R3b. The Oroville City Council should establish response timelines for public inquiries and include those timelines in voicemail greetings and automatic email responses by January 31, 2027. When a member of the public contacts an elected official, that person should be informed when they will next hear from the City Council regarding their question/concern.

R4. The Oroville City Council should direct the City to establish and monitor an anonymous ethics violation reporting mechanism. Implementation of the mechanism to be completed and communicated to all City employees, contractors, and City Council members by February 28, 2027.

R5. The Oroville City Council should enforce Item 10 (Consequences for Non-Compliance) in the adopted Elected Officials Guiding Principles Handbook by November 1, 2026. City Council members who have not signed the document shall be "ineligible for committee assignments".

R6. The Oroville City Council should create a recurring agenda item for public meetings that would report pending Council Member action items (signatures, required trainings, etc.). Implement by November 1, 2026.

R7. Effective immediately, Oroville City Council members should maintain the confidentiality of all closed session proceedings and related materials, as required by

law.

REQUIRED RESPONSES

The following response is required, pursuant to Penal Code sections 933 and 933.05:

- Oroville City Council: respond to F1-F7 and R1-R7 within 90 days

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

APPENDIX A - Elected Officials Guiding Principles Handbook

City of Oroville City Council Guiding Principles Handbook

Introduction

The purpose of this handbook is to establish a set of core principles that will guide the actions and decisions of elected officials. The handbook is intended to promote ethical and responsible governance, ensure compliance with the Ralph M. Brown Act, and provide a framework for effective decision-making that benefit the residents of Oroville.

Table of Contents

1. Role of the City Council and Oath of Office
2. General Policies and Expectations
3. Behavior and Etiquette
4. Brown Act Compliance
5. Meeting Protocols
6. Public Participation
7. Conflict of Interest
8. Transparency and Ethics
9. Staff Interactions
10. Consequences for non-compliance
11. Amendments and Updates

1. Role of the City Council

The City Council is responsible for governing the City of Oroville by establishing policies, passing ordinances, and making decisions on behalf of the public. Council members represent the community and are tasked with ensuring that the City government operates effectively, ethically, and in the best interests of residents.

2. General Policies and Expectations

- **Accountability:** Council members should take responsibility for their actions and decisions and be transparent in their communication with the public and City staff.
- **Respect:** Council members should maintain respectful communication with each other, City staff, and members of the public, even in situations of disagreement.
- **Professionalism:** The Council is expected to conduct itself with professionalism and integrity at all times, adhering to the ethical standards set forth in local and state law.
- **Collaboration:** Cooperation and teamwork are critical in decision-making processes to achieve the best outcomes for the city.

3. Behavior and Etiquette

- **Respect for Others:** Council members should be courteous and respectful during all official proceedings and interactions. Disparaging comments, personal attacks, or abusive language are strictly prohibited.
- **Active Listening:** Council members should listen attentively to each speaker during meetings and avoid side conversations, interruptions, or distractions.
- **Civil Discourse:** All discussions should remain focused on the issue at hand, with an emphasis on solving problems constructively. Personal opinions should be expressed respectfully, and Council members should avoid inflammatory or accusatory language.
- **Time Management:** To respect everyone's time, Council members should be prepared for meetings by reviewing agendas and documents in advance, ensuring meetings run efficiently.
- **Public Communication:** When representing the City of Oroville, Council members should maintain a tone of professionalism and diplomacy.
- **Staff Interactions:** Understand that Department leadership take direction from a majority of the Council. Council Members should not give individual members of department leadership (or any employees) direction nor take up excessive staff

time that takes away from staff implementing the wishes of the Council (refer further to section 9).

4. Brown Act Compliance

The Ralph M. Brown Act ("Brown Act") governs open meetings for local government bodies to ensure transparency in decision-making. The Oroville City Council is committed to complying fully with the Brown Act to maintain public trust.

- **Public Meetings:** All Council meetings must be open to the public, except for closed sessions as permitted under specific conditions outlined in the Brown Act. Some committees and subcommittees are also subject to the Brown Act. Advisory committees composed solely of members of the legislative body that are less than a quorum of the legislative body are not subject to the Brown Act unless it's a committee created by formal action that covers continuing subject matters. Ad hoc committee's containing less than a quorum of the legislative body that are for a limited duration are not likely subject to the Brown Act. Committees with less than a quorum of the legislative body that also include members of the public or staff, are subject to Brown Act.
- **Agenda Posting:** Meeting agendas must be posted 72 hours before regular meetings and 24 hours before special meetings, outlining all items to be discussed or acted upon. No action can be taken on items not listed on the agenda.
- **Quorum and Serial Meetings:** Council members must avoid engaging in discussions impacting City business with each other outside of publicly noticed meetings where a quorum (majority of Council) could be present. Serial meetings, a series of private meetings where a majority of the Council commit to voting a certain way, are prohibited.
- **Public Participation:** The public must be given the opportunity to address the Council during open meetings. Time limits for public comments may be imposed to ensure orderly proceedings, but the public's right to participate must be respected.
- **Closed Sessions:** Closed sessions are allowed only for specific issues such as litigation, personnel matters, or real estate negotiations. Decisions made in closed sessions must be reported during the open session when required. Discussions that happen during closed session are confidential and must not be shared.

5. Meeting Protocols

- **Chairing Meetings:** The Mayor (or the Vice Mayor if Mayor is unavailable) will preside over meetings and ensure that the proceedings are orderly. Council members should respect the authority of the presiding officer and adhere to the established meeting procedures.
- **Motions and Voting:** Council members may introduce motions on any item listed on the agenda. A second is required for a motion to be considered. If multiple motions are made, voting shall take place according to Rosenberg's Rules of Order. Voting is conducted openly, and the results are recorded in the meeting minutes.
- **Public Hearings:** For matters requiring public hearings, adequate notice must be provided to the community. All testimony, both written and verbal, must be taken into account before any final decision is made.
- **Engagement with the public during meetings** must be limited to agendized items. Interest in a topic raised by a member of the public during public comments should be discussed at a later meeting after having the topic agendized appropriately.

6. Public Participation

- **Public Input:** The Council encourages residents to participate in the decision-making process by attending meetings and providing input on agenda items. Public comment is permitted on both agenda and non-agenda items.
- **Written Comments:** Members of the public may submit written comments to the City Clerk prior to meetings, which will be distributed to the Council and included in the record.
- **Decorum:** Members of the public are expected to conduct themselves respectfully during meetings. Disruptive behavior, including shouting or personal attacks, may result in removal from the meeting.

7. Conflict of Interest

Council members must adhere to all conflict-of-interest laws and disclose any personal, financial, or other interests that could affect their impartiality in decision-making. Council members must recuse themselves from participating in discussions or votes where a conflict of interest exists.

8. Transparency and Ethics

- **Transparency:** Council members must conduct City business in a manner that is open and transparent to the public. This includes full disclosure of any pertinent information that may affect decision-making.

- Ethical Conduct (Assembly Bill 1234): Council members must follow ethical standards in all interactions, avoiding any appearance of impropriety or undue influence. Acceptance of gifts, favors, or other incentives that could sway official decisions is strictly prohibited as would be any promise for future gifts, favors, or incentives

9. Staff Interactions

The City Council as a body sets the policy and direction through the budget process and official actions taken by the Council. City staff are tasked with implementing that direction. While staff should provide Council members with data and information when requested, individual Council members need to understand their larger role as setting policy and shall not give individual direction to staff.

In order to respect the busy schedules of City staff, Council Members shall schedule meetings in advance (ideally 24 hours' notice) with Staff (with notification to the City Administrator), should there be a desire to meet with them. To promote transparency, Council members should report out on conversations that take place with Staff during Council Announcements and Reports at City Council meetings.

10. Consequences for Non-Compliance

Failure to comply with these policies and the Brown Act can result in legal action, personal liability, sanctions, or censor by the Council. Violations of decorum or ethical standards can lead to censure or removal from Council committees.

This handbook is intended to be self-enforcing. Council members who repeatedly do not follow proper conduct outlined in the Elected Officials Guiding Principles Handbook may be formally censured by the Council or lose committee assignments. Individual Council members should point out to the offending Council member perceived infractions. If the offenses continue, the matter should be referred to the Mayor in private (unless the Mayors actions are being questioned, then the matter should be referred to the Vice Mayor). It would be up to the Mayor (or Vice Mayor) to initiate any actions. If no actions are taken, then the matter can be brought forward to the full Council.

Council members who do not sign an acknowledgement that they have read and understand the Elected Officials Guiding Principles Handbook, shall be ineligible for committee assignments.

11. Amendments and Updates

This handbook will be reviewed and updated periodically to ensure compliance with changes in law and to reflect the evolving needs of the City of Oroville. Amendments must be approved by a majority vote of the City Council.

I affirm that I have read and understand the City of Oroville Elected Official Guiding Principles Handbook.

Signature

Date

Introduction to the Town of Paradise, Ca.

June 5, 2026



Photo shows the Paradise Welcome Sign Pre Camp Fire

Paradise is an incorporated town in Butte County, California, United States, in the Sierra Nevada foothills above the northeastern Sacramento Valley. As of the 2020 census, the town population was 4,764, a decline of over 80% from the 26,218 residents recorded in the 2010 census.

On November 8, 2018, a major wildfire, the Camp Fire, destroyed most of Paradise and much of the adjacent communities of Magalia, Butte Creek Canyon, and Concow. In November 2023, it was reported that there were a little over 9,000 residents living in Paradise. Over 2,500 new structures have also been built, with more construction ongoing. Paradise is located 10 miles (16 km) east of Chico and 85 miles (137 km) north of Sacramento. According to the United States Census Bureau, the town has a total area of 18.3 square miles (47 km²); over 99% of it is land.

2018 Camp Fire



Satellite image showing the fire at 10:45 a.m. on November 8, 2018

On November 8, 2018, a wildfire named the "Camp Fire" was reported at 6:33 a.m. PST, close to Camp Creek Road near Pulga. Shortly after the fire erupted, the Butte County Sheriff's Office ordered the evacuation of the eastern quarter of Paradise, and the remaining portions one hour later.

A total of 85 people died in the Camp Fire, tens of thousands were displaced, and 18,804 buildings were destroyed. Only 5% of buildings in the town remained without serious damage after the fire, it was the deadliest and most destructive fire in California history.

Camp Fire Recovery



Photo shows a burnt-down house in Paradise, eight months after the Camp Fire

The first two building permits were reissued for Paradise, after almost five months, on March 28, 2019. This updated building plan included an emphasis on rebuilding homes as quickly and as expediently as possible. In 2010 the U.S. census reported a population of 26,800. After the Camp Fire, the population declined by more than 90%. In January 2019, the state of California reported 4,600 residents, and a door-to-door count in April 2019 found 2,034. By November 2023, it was reported that there were a little over 9,000 residents living in Paradise. Over 2,500 new structures had also been built, with more construction ongoing. By 2024, the town had experienced a substantial influx of newcomers who had moved from the Bay Area and Southern California. Insurance costs had exploded, with annual premiums of \$12,000 becoming commonplace.

2020

The 2020 United States census reported that Paradise had a population of 4,764. The population density was 260.1 inhabitants per square mile (100.4/km²).

The census reported that 98.9% of the population lived in households, 0.6% lived in non-institutionalized group quarters, and 0.4% were institutionalized.

There were 2,172 households, out of which 21.8% included children under the age of 18, 45.8% were married-couple households, 8.3% were cohabiting couple households, 24.3% had a female householder with no partner present, and 21.5% had a male householder with no partner present. 31.1% of households were one person, and 17.8% were one person aged 65 or older. The average household size was 2.17.^[42] There were 1,317 families (60.6% of all households).

The age distribution was 14.4% under the age of 18, 4.8% aged 18 to 24, 18.6% aged 25 to 44, 30.8% aged 45 to 64, and 31.4% who were 65 years of age or older. The median age was 55.6 years. For every 100 females, there were 101.1 males.

There were 2,493 housing units at an average density of 136.1 units per square mile (52.5 units/km²), of which 2,172 (87.1%) were occupied. Of these, 74.6% were owner-occupied, and 25.4% were occupied by renters.

In 2023, the US Census Bureau estimated that the median household income was \$67,042, and the per capita income was \$36,444. About 18.4% of families and 18.0% of the population were below the poverty line.

Due to the fires and extreme loss of their town, Paradise has experienced trauma, loss of life, and the ability to raise tax biased funds to operate the Town of Paradise.

The 2018 Camp Fire has been documented as the largest calamity to befall a community since the 1906 San Francisco earthquake. Because of this event the Town of Paradise lost approximately 40 percent of its Town employees, and was forced to develop a plan in which to rebuild their community.

As the Grand Jury team began their investigation through over thirty-five interviews, large scale document review, and working with the Town's staff and their partners, we found the Town of Paradise's employees, partners and citizens to be mostly well intentioned people attempting to rebuild the town they called home. These individuals were faced with a daunting task, and were met with many challenges to overcome. The Grand Jury highly commends their hard work and dedication to rebuilding their town.

It was discussed with us that for the continuous construction of properly that there needs to be an open, honest, and reliable working relationship with all the parties involved, including the contractors, sub-contractors, building inspectors, planners, permitting department, and the town officials. It became apparent to those investigating the events in Paradise that there was a breakdown in this working relationship. Out of town contractors misuse of Building and Professional Codes 7044 and the Town's Building department's failure to rein in these problems caused some problems for homebuyers returning to Paradise.

During the Grand Jury's year long investigation into the management and building departments we recognized many findings and recommendations that are included in our report. It is important to note that many of the recommendations have started to be implemented into the Town of Paradise. This beginning of correction and change is to be commended.

The following is a three-part investigative report on our findings within the Town of Paradise regarding the Building Inspection Department, Building Development and Permitting Department, and the Administrative Department.

Town of Paradise
Building Inspection Department
Investigation Report

The Paradise Building Inspection Department and its staff lacked the experience, oversight, and training to adequately perform their duties.



Picture of a home under construction

June 5, 2026
Butte County Civil Grand Jury
2025 - 2026

PARADISE BUILDING INSPECTION DEPARTMENT

The Paradise Building Inspection Department and its staff lacked the experience, oversight, and training to adequately perform their duties.

SUMMARY

With the intense pressure to quickly rebuild burned homes after the devastating Camp Fire, it soon became apparent that there were issues affecting code inspections being performed by the Town's building inspectors. The Town of Paradise Building Inspection Department and its staff lacked the experience, oversight, and training to adequately perform their duties under the catastrophic circumstances resulting from the fire.

There have been a multitude of complaints concerning substandard homes being built in the Town of Paradise, with voluminous evidence exposing many examples of unacceptable, and in some cases, dangerous building practices.

Purchasers of some new homes discovered substandard construction, resulting in cracked foundations, misaligned doors, mold growth due to improper installation of windows and shower pans, and incorrect water heater installations, in some cases creating health issues for the occupants.

The affected citizens' complaints were brought to the attention of the Paradise Building Department, the Town of Paradise Administration, and the Town Council. Complainants voiced their dissatisfaction with a lack of adequate oversight clearly during the building and inspection process of these homes.

Many of the Town's elected officials questioned why so many deficient new homes were passing inspections, as well as why the energy efficiency standards of Title 24 and the Home Energy Rating System (HERS) were being ignored during inspections. This was causing a high level of concern regarding the Town's building inspectors and their apparent lack of experience and qualifications for doing their jobs.

The Civil Grand Jury undertook an investigation into these issues and confirmed that the home inspections were being performed by inadequately trained individuals who lacked the experience and proper certifications required to do their jobs. In some cases, inspectors were allegedly utilizing "on the job training" to earn their certification within a period of twelve months. Disturbingly, this was not actually happening, even though an administrative record showed that the "on the job training" was a part of their hiring agreements.

As a result of the deficient inspections additional problems became obvious. A particular group of contractors were able to take advantage of the lax inspections. These

individuals were constructing homes at lightning speed, cutting corners, ignoring energy calculations, using less expensive building materials, utilizing cheaper and much less experienced labor, and ultimately were able to entice citizens to buy their homes at attractive lower prices that were undercutting legitimate and qualified local contractors' homes.

BACKGROUND

In the aftermath of the Camp Fire, the Town of Paradise perceived an urgency to begin building new homes and businesses as quickly as possible in order to generate a revenue base for redevelopment. The town staff quickly became overwhelmed. Forty percent of all staff left the Paradise area immediately following the fire, which left the Paradise Building Department gutted.

The Town Council and Town Manager contracted with a construction and planning firm called Four Leaf to help the town organize and create their building plan, as well as to provide interim building inspectors and staff to operate the permit department.

In 2021, the Town of Paradise began its transition from the Four Leaf contract back to the use of in-house staff in both the building and the permitting departments.

During the transition, town administration attempted to recruit new staff from local areas to fill the expanded departments. The Civil Grand Jury was told in interviews with town administrators that the inspector job positions were posted, but that it was a difficult recruitment due to the unique expertise needed to perform the job. We were told there were not a lot of takers for the jobs. The new department building inspectors were ultimately hired by one administrative staff member, and consisted of acquaintances and past co-workers.

With few applicants, additional positions were filled with "in-house" references which gave skilled positions to individuals in some cases, who lacked certifications and credentials. The Town hired candidates for building and permitting functions who had viable personal references, but did not meet the minimum qualifications for the positions.

The new hires were given twelve months to attain the necessary certifications but did not complete them either on-line or in person. The Civil Grand Jury also discovered that on-site training was sparse at best, and what little training did occur was not documented or tracked. During the writing of this report these deficiencies were being addressed, and training has begun.

The intense pressure to quickly rebuild, along with the huge number of inspections that needed to be performed, created a necessity that the inspection staff have thorough

knowledge of updated codes, manufacturing materials, and review of contractor licenses.

The inspectors felt pressured by a general community consensus in favor of completing as many homes as quickly as possible. The Civil Grand Jury received information that these mounting pressures were causing staff to “sign off” on the completion of a project’s progress before the work was actually ready for the next phase of construction. Additionally, the Building Inspection department was known to grant “courtesy inspections” so a building’s construction could progress prior to the inspector’s approval of previous phases.

These factors began surfacing when homeowners discovered deficient construction in their recently built homes. These individuals contacted the City Manager and the Town Council questioning the inspection process and the approval process for occupancy.

As a result of these complaints, and direction from the Town Attorney, Town Council, the Butte County District Attorney, and the town administration, a decision was made in August 2025 to place the Director of the Building Department and all Building Inspectors on paid administrative leave. Simultaneously, the Town Manager was separated from employment by mutual consent.

The Town Council directed the Town Attorney to acquire the services of an independent consultant to conduct an audit of the organizational structure, processes, inspection methods, and procedures of the Paradise Building Department.

The Civil Grand Jury filed a California Public Records Act request with the Town for the consultant’s full audit report, but the request was denied. The Town instead provided a 2 ½ page Audit Summary. During the investigation and interview process, we interviewed the audit expert twice. The contracted expert forwarded the completed audit to the Paradise Town Attorney, and shortly thereafter, the Director of the Building Department and the three inspectors were reinstated to their positions. Interestingly, the audit revealed that once employees were hired, they were left to themselves, with little to no follow-up by supervisors or Human Resources. Additionally, continuing education for rapidly changing building codes and knowledge of improved building materials was severely lacking.

The audit was then used as the source to formulate the Building Division Audit Corrective Action Plan (CAP). The CAP was presented to the Town Council for approval and planned implementation on February 10, 2026. The majority of the recommendations were adopted, but the council declined two important recommendations. Item A-3 recommends that code enforcement be moved to the Planning Division. Item A-4 recommends reclassifying the director of building and code enforcement to building official / fire marshal.

California state law mandates certain hiring certification, continuing education, and record retention requirements for municipal building inspectors. These are outlined, *inter alia*, in the:

California Assembly Bill 1234

California Assembly Bill 827

California Public Records Act

California Senate Bill 717 (Ducheny Bill)

California Health and Safety Code Section 18949.28

California State Association of Counties building inspectors specifications. See Addendum 2: California State Association of Counties Inspector Specifications (CSAC)

California State Human Resources Manual on Unlawful Appointments

During the Grand Jury's investigation into the Paradise Building Inspections Department there were, in many cases, shortcomings in the hiring, education and records retention process.

METHODOLOGY

The 2025-2026 Civil Grand Jury was contacted by multiple citizens, contractors and individuals within the Town of Paradise with their concerns. The Civil Grand Jury formed an investigative team that interviewed over thirty-five individuals over a period of time from July 2025 through March 2026. The interviewees were a combination of administrative personnel as well as contractors and private citizens with knowledge of the building inspection department in Paradise.

Documents Reviewed

During the investigation, the 2025-2026 Butte County Civil Grand Jury reviewed:

Public records

Town Council meeting agendas and minutes

Internal town policies and procedures manuals

Town Council Handbook

Job Announcements

Town of Paradise Employment Applications

Town of Paradise Employee Work Performance Reports

Individuals' Resumes

Individuals' Letters of Employment

Numerous email communications between various community members, council members and city staff

Audit Memo information

2025 Building Division Audit Corrective Action Plan (CAP)

The Town of Paradise draft ordinance adopting new section 15.02.065 (see Addendum 1 of this report)

Interviews

The Jury conducted over thirty five extensive interviews with current county and town officials, county and town employees, contractors, and local stakeholders.

TIMELINE: KEY EVENTS IMPACTING THIS REPORT

- November 8, 2018 - Camp Fire
- 2019-2021 - Four Leaf Contract
- 2021 - The Town Council authorizes the hire of 11 employees within the Building and Inspection Department
- August 2025 - Town Manager separated and Building Department Director and Building Inspectors placed on administrative leave
- August 2025 - March 2026 Two successive Interim Town Managers
- August to October 2025 - Building Department Audit
- September 2025 - Building department employees reinstated from administrative leave
- January 16, 2026 - Stamped date of completed town audit
- January 16, 2026 - Community Action Plan placed on town council agenda, and pulled before review

FINDINGS

The Butte County Civil Grand Jury finds:

F1. The building inspection staff were hired without meeting the stated Town of Paradise minimum requirements for hire. There was found to be a lack of knowledge among the building inspectors relating to codes and inspection protocols. There also appeared to be a lack of understanding of the requirements of supplemental plan documents, truss calculations, energy calculations and manufacturers installation requirements. This situation contributed to substandard construction in some cases.

F2. The building inspection staff were given twelve months to attend online classes and training to receive the needed code-required certifications, but failed to complete them. This failure led to inadequate inspections which resulted in some substandard homes.

F3. The Building Inspection Department has been audited by an outside expert who recommended detailed remedies. The final audit was never released to the stakeholders of Paradise. This lack of transparency undermined confidence at all levels.

F4. The 2026 Building Division Audit Corrective Action Plan (CAP) was presented to the Town Council. The majority of the recommendations were adopted, but the council declined two important recommendations. The Civil Grand Jury has concluded that these recommendations would be important to the success of the CAP. These declined recommendations would have more equally distributed managerial responsibilities.

F5. The Building Inspection Department was known to grant “courtesy inspections” so a building’s construction could progress prior to the inspector’s approval of previous phases. This type of favoritism is known to be outside of established inspection protocol, and risks substandard construction to slip through.

F6. There is evidence validating many homebuyers’ complaints of unacceptable, and in some cases, building practices resulting in dangerous living conditions.

RECOMMENDATIONS

The Butte County Civil Grand Jury recommends that the Paradise Town Council:

R1. Direct staff to develop and implement a post-hiring employee development plan with benchmarks and time lines to train and certify new hires who do not meet all job requirements.

R2. Direct Town Manager to verify that the staff who were hired conditionally, have completed required training and gained certification.

R3. Release the full audit to the public with redactions to protect privacy of individuals as necessary.

R4. Reconsider A-3 and A-4 of the CAP implementation plan. Item A-3 recommends that code enforcement be moved to the Planning Division. Item A-4 recommends reclassifying the director of building and code enforcement to building official / fire marshal.

R5. Direct staff to refrain from the use of courtesy inspections.

R6. Review their inspection protocol and put in place a dedicated Community Development Director to oversee the Building Inspection Department.

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code sections 933 and 933.05.

From the following individual or governing body to be received by the Presiding Judge within 90 days of receipt:

- Paradise Town Council: respond to F1-F6, and R1-R6.

INVITED RESPONSES:

The Grand Jury invites the following individual to respond:

From the following individuals to be received by the Presiding Judge within 60 days of receipt:

- The Paradise Human Resources Director: respond to F1-F4, and R1-R4.
- The Paradise Assistant Town Manager: respond to F1-F6, and R1-R6.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

Links to appropriate documents:

The following links were active at the time of printing.

2025 Town of Paradise Building Division Audit Corrective Action Plan:

<https://www.townofparadise.com/building/page/building-division-audit-corrective-action-plan>

California Assembly Bill AB1234

<https://legiscan.com/CA/text/AB1234/id/3136922>

California Senate Bill SB827

<https://legiscan.com/CA/text/SB827/id/3235157>

California Public Records Act

https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=10.&title=1.&part=1.&chapter=1.&article=1

California Assembly Bill AB717 (Ducheny Bill)

https://leginfo.ca.gov/pub/95-96/bill/asm/ab_0701-0750/ab_717_bill_951005_chaptered.html

California Health and Safety Code 18949.28

<https://law.justia.com/codes/california/2011/hsc/division-13/18949.25-18949.31/18949.28/>

Addendum 1:

Town of Paradise Ordinance section 15.02.065

**TOWN OF PARADISE
ORDINANCE NO. ____**

**AN ORDINANCE OF THE TOWN OF PARADISE ADOPTING NEW SECTION
15.02.065 AND
MAKING FINDINGS OF FACTS RELATING TO BUILDING CODE COMPLAINTS AND
ESTABLISHING OVERSIGHT BY THE BUILDING DIVISION CORRECTIVE
ACTION PLAN AD HOC ADVISORY COMMITTEE**

The Town Council of the Town of Paradise, State of California does hereby **ORDAIN AS FOLLOWS:**

SECTION 1. Findings. The Town Council finds and declares as follows:

- a) Under Article XI, Section 7 of the California Constitution local agencies may make and enforce all local, police, sanitary and other ordinances within their jurisdiction, provided they do not conflict with general state laws; and
- b) The Town Council of Paradise hereby finds that the public health, safety, and welfare of the Town of Paradise will be best protected and served by ensuring that all buildings, structures, electrical, gas, mechanical, and plumbing systems comply with the Paradise Municipal Code which adopted and incorporated several sections of the California Building Standards Code (California Code of Regulations, Title 24); and
- c) The Town Council of the Town of Paradise desires to set forth certain procedures to ensure the enforcement of the Building Code by creating a system to process, review and manage complaints alleging violations of the Building Code.

SECTION 2. Section 15.02.065 is added to the Paradise Municipal Code as follows:

15.02.065 Building Code Complaint Procedure; Review and Determination by the Independent Reviewer.

A. Definitions

1. Building Code – The Paradise Municipal Code applicable to buildings and construction, including but not limited to Title 15 of the Paradise Municipal Code.

2. Permit Applicant (PA) – the individual or entity that applied for and was issued a permit for the construction of the building, structure, electrical, gas, mechanical, or plumbing system. In the event the Permit Applicant is an entity, the principals and signatory on the permit application shall be deemed to be Permit Applicants, as well as the entity.

3. Building Division Corrective Action Plan (CAP) Ad Hoc Advisory Committee – The CAP Ad Hoc Advisory Committee shall serve as an advisory and oversight body for the Building Code complaint process, consistent with the Town's Building Division Corrective Action Plan. The Committee shall not serve as the primary decision-making body for technical determinations of Building Code compliance, however, will support and facilitate Independent Reviews while monitoring the overall intent of this ordinance.

4. Independent Reviewer – The Independent Reviewer shall be a third-party consultant retained by the Town responsible for the objective review of complaints, evidence, inspections, and issuance of Notices of Determination regarding Building Code compliance. The Independent Reviewer shall not have had a primary role in supporting or facilitating the course of construction of the subject complaint.

5. Strike – a Strike is a finding against a Permit Applicant (PA) that a Building Code complaint has been deemed founded following the issuance of a Notice of Determination and an appeal by a Permit Applicant, or a failure to timely file an appeal, as outlined in this section. Only one Strike may be in effect for each Assessor's Parcel Number. A Strike shall be removed or inactivated only by remediation of the Building Code violations, which shall be confirmed in writing by the Building Official as outlined in this Section.

- B. Every building permit granted under this title or any section hereof is granted and accepted by all parties with the express understanding that the building, structure, electrical, gas, mechanical, or plumbing system must meet the requirements of the Building Code. Following issuance of the building permit, and for a period of 10 years thereafter, if a property owner suspects the PA did not adhere to the Building Code, a complaint shall be submitted through the Town's CAP Community Intake Form as the exclusive initial point of contact. Complaints submitted outside of the CAP Intake process shall not be accepted.. The complaint must include: the location of the building, structure, electrical, gas, mechanical, or plumbing system, the nature of the alleged violation, and efforts the property owner has undertaken to obtain relief from the PA prior to submitting

the complaint. Town staff shall conduct an initial completeness and eligibility screening and refer qualifying complaints to the Independent Reviewer.

All complaints, reviews, and determinations shall be documented and tracked in accordance with the Town's Building Division Corrective Action Plan (CAP).

- C. The Independent Reviewer shall review all complaints submitted through the CAP Intake Form and determine whether the complaint references a potential violation of the Building Code. Complaints that reference aesthetic issues or issues that do not relate to the requirements of the Building Code will not be considered. If the complaint alleges an issue that may violate the Building Code, the Independent Reviewer shall issue a Notice of Complaint (NOC) that will be sent to the PA. The NOC must include the specific location of the building, structure, electrical, gas, mechanical, or plumbing system that is the subject of the complaint and the section of the Building Code, that has allegedly been violated. Within 10 business days of issuance of the NOC, the PA may respond with an explanation of how the requirements of the Building Code were met or with documentation refuting the allegations in the NOC.
- D. After receiving the PA's response to the NOC, the Independent Reviewer may contact the owner of the building, structure, electrical, gas, mechanical, or plumbing system to schedule an inspection. In the event an inspection is requested, the property owner and the PA shall have the right to have one representative present at the inspection.
- E. Within 10 business days following the gathering of evidence as outlined in Paragraphs C and D of this Section, the Independent Reviewer shall review the evidence and issue a written Notice of Determination (NOD), which shall be sent by the Town Clerk to the property owner and PA by regular mail. If the Independent Reviewer determines that the complaint has been unfounded, the complaint will be dismissed. If the Independent Reviewer confirms the existence of a Building Code violation, the NOD must include the specific location of the building, structure, electrical, gas, mechanical, or plumbing system that is the subject of the NOD and the section of the Building Code pertaining to the violation.
- F. In the event that a PA disagrees with the NOD, the PA may appeal the determination by submitting a written appeal to the Town Council within 10 calendar days. The appeal shall be submitted to the Town Clerk. The appeal shall include evidence refuting the violation stated in the NOD and demonstrating that the requirements of the Building Code have been met. The Town Council shall review the appeal and all documents reviewed by the Independent Reviewer at a regular or special meeting, at which the property owner and the PA may appear and provide a

statement to the Town Council. The statement by the property owner and PA shall not exceed 10 minutes each, unless additional time is needed to address questions by the Town Council.

- G. The Town Council may, but is not required to, overturn the NOD issued by the Independent Reviewer by majority vote of the Council Members in attendance at the meeting. In the event that the NOD is overturned, the complaint shall be dismissed as unfounded.
- H. Following an appeal by the PA and a failure to overturn the NOD, or in the event that a PA fails to timely file an appeal of an NOD, the PA shall receive a Strike. The Strike shall be active until the PA remediates the Building Code violation to the satisfaction of the Building Official, as defined in Section 2.12.054.
- I. If a PA has two or more Strikes in effect that have not been removed or inactivated, all new permit applications for any buildings, structures, electrical, gas, mechanical, or plumbing systems shall be denied and all existing permits in the issued status to the PA will be suspended until all of the active Strikes on the PA's record have been removed.
- J. It shall be unlawful for any person, firm, or corporation to erect, construct, enlarge, alter, repair, move, improve, remove, convert, demolish, occupy or maintain any real property, building, structure, or building service equipment or cause or permit the same while the permit is suspended.

SECTION 4. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is for any reason held to be invalid by a court or competent jurisdiction, such provision shall be deemed severable, and the invalidity thereof shall not affect the remaining provisions or other applications of the ordinance, which can be given effect without the invalid provision or application thereof.

SECTION 5. CEQA Exemption. Adoption of this Ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080(b)(3) regarding projects to maintain, repair, restore, or replace property or facilities damaged or destroyed as a result of a declared disaster and Section 21080(b)(4) regarding actions to mitigate or prevent an emergency, and CEQA Guidelines Section 15269(a) regarding maintaining, repairing, restoring, demolishing, or replacing property or facilities damaged or destroyed as a result of a disaster stricken area in which a state of emergency has been proclaimed by the Governor pursuant to the California Emergency Services Act, commencing with Section 8550 of the California Government Code.

SECTION 6. Publication. This ordinance shall take effect thirty (30) days after the date of its passage. Before the expiration of fifteen (15) days after its passage, this ordinance or a summary thereof shall be published in a newspaper of general circulation published and circulated within the Town of Paradise along with the names of the members of the Town Council of Paradise voting for and against same.

PASSED AND ADOPTED BY THE Town Council of the Town of Paradise, County of Butte, State of California, on this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven Crowder, Mayor

ATTEST:

Melanie Elvis, Town Clerk

APPROVED AS TO FORM:

Scott E. Huber, Town Attorney

Addendum 2

California State Association of Counties Inspector Specifications

Minimum Qualifications

- **Education:** A high school diploma or GED is the baseline. However, completion of a Building Inspection Technology Program, or 60 semester units in engineering technology, architecture, or construction management are highly desired.
- **Experience:** Generally, requires at least two to four years of full-time, progressively responsible experience in building inspection or as a journey-level tradesperson (carpentry, electrical, plumbing, or HVAC). Senior roles typically require direct agency experience and additional years as a licensed general contractor.
- **Licensing & Certification:** Possession of a valid California Class C Driver's License is required. Under California Health and Safety Code Section 18949.28(a), inspectors must secure certification in their primary job fields (from recognized organizations like the International Code Council) within two years of employment.

Core Knowledge Requirements

Building inspectors must possess a working knowledge of:

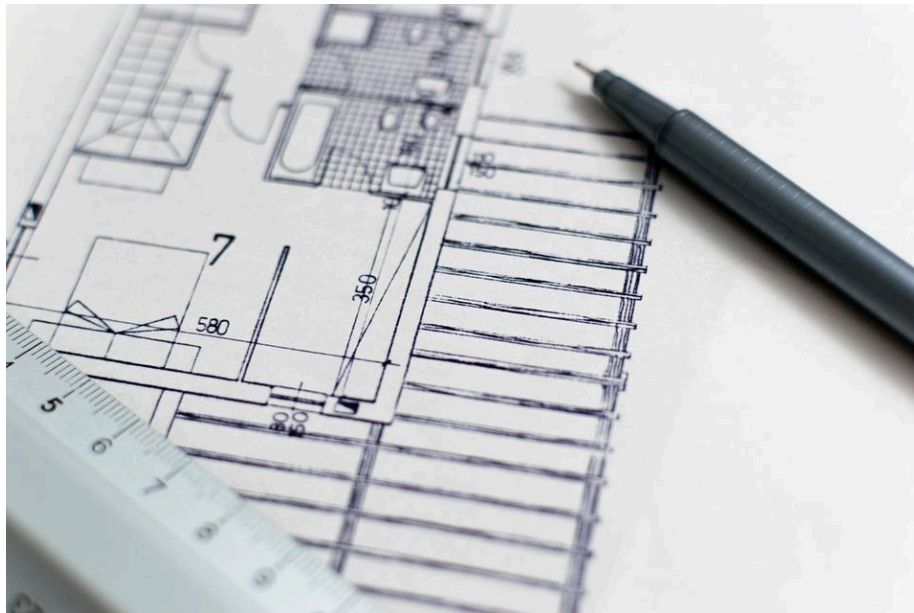
- **Codes & Standards:** The California Building, Housing, Plumbing, Electrical, and Mechanical codes.
- **Construction Methods:** Modern building materials, quality standards, and the tools/techniques used across various building trades.
- **Accessibility & Safety:** Energy conservation, disabled access requirements, and structural earthquake safety.

Essential Duties & Responsibilities

- **Inspections:** Conducting field inspections at various stages of construction to verify compliance with approved plans, zoning laws, and safety codes.
- **Code Enforcement:** Investigating alleged violations of building codes and issuing correction notices or "Stop Work" orders when necessary.
- **Plan Checking:** Assisting in reviewing construction plans, blueprints, and layouts to determine code compliance prior to on-site inspections.
- **Public Interaction:** Conferring with developers, architects, and the public regarding code requirements, installation methods, and departmental policies.

Town of Paradise
Permitting and Plan Development Department
Investigation Report

Ineffective departmental procedures led to some substandard home building.



Picture of Building Plans

June 5, 2026
Butte County Civil Grand Jury
2025 - 2026

PARADISE PERMITTING AND PLAN DEVELOPMENT DEPARTMENT

Ineffective departmental procedures led to some substandard home building.

SUMMARY

The Town of Paradise Permitting and Plan Development Department staff lack the necessary experience, oversight, and training to adequately perform their duties. Ineffective departmental review of planning and permitting documents submitted by owner/builders has resulted in substandard construction practices. In addition to lack of sufficient training to perform the reviews, there was little on-site supervisory support when and where required. Departmental staff were not verifying ownership, contractors' licenses, or insurance regarding permit applicants. Measures are currently being taken to address these issues.

Inadequate staff training with a resulting lack of attention to procedural review incentivized some contractors to take shortcuts. Less expensive building materials were often utilized. Lower wages were offered for inexperienced labor. State mandated workers' compensation insurance premiums went unpaid. Title 24 and HERS energy efficiency calculations were accepted from dubious sources without proper verification. These and other unregulated activities escaping industry best-practices standards and building code enforcement oversight resulted in substandard homes.

Paradise home buyers have and will continue to suffer the consequences of this substandard construction. They are contending with cracked foundations, doors that will not fully close, mold resulting from improper installation of windows and shower pans and improper installation of hot water heaters all of which have caused dangerous health concerns. These home buyers continue to voice their concerns and complaints to the Building Department, the town's administration and during Town Council meetings.

BACKGROUND

In the aftermath of the Camp Fire, the Town of Paradise wanted to begin the rebuilding of homes and businesses as quickly as possible to reestablish its revenue base. The town lost forty percent of its work force immediately following the Camp Fire. The town staff that remained were overwhelmed with the rebuilding task. The Town Council and administration contracted with Four Leaf, a construction and planning firm, to help the town organize their rebuilding plan, and to supplement the Building and Permitting Department as well as supply interim building inspectors. In 2021, the town began to

transition from that contract to the use of in-house staff. During this transition, the town administration began recruiting from the local area. The increased demand for staff to review building permits following the fire made recruiting difficult and few employment applications were received. Staff then turned to limited local sources and in-house references to fill skilled positions. Although those hired had viable personal references, some lacked the certifications and credentials to properly fill the positions.

As the rebuilding of Paradise progressed, several out-of-area contractors, lacking in building experience and knowledge of Paradise construction requirements began applying for permits under California Business and Professions Code section 7044.

California Business and Professions Code Section 7044 outlines the exemptions for building or improving structures on property of the owner. Key points include:

Exemptions: The code does not apply to owners who build or improve structures on their property if:

- None of the improvements are intended or offered for sale;
- The owner personally performs all work or their employees do;
- The owner directly contracts with licensed trades;
- For single-family residential structures, no more than four structures are intended for sale in a calendar year.

The Grand Jury found that the owner/builder exemption was frequently abused by developers or investors building homes to sell for profit in Paradise, which is illegal. Permitting and Plan Development staff were not clarifying the relationship of permit applicants to the property, allowing abuse of the owner/builder exemption to escape detection.

These contractors began building homes listing themselves as “owner/builder,” utilizing one license within a “limited liability corporation (LLC).” This would have allowed them to build up to four homes per year. Department records indicated that there was an instance where nine individuals who formed different LLC’s were granted approximately 160 building permits. Because of the builder’s misuse of the LLC designation, using building licenses that were not theirs, and dissolving the LLC’s when the building was complete, the buyers had no recourse upon finding design flaws in the homes they purchased from the builders. Misuse of Section 7044 allowed the contractors to circumvent utilizing licensed sub-contractors and avoid workers compensation and liability coverage. Separate individuals, within this same LLC, would use the same license and would apply for additional permits. In some cases, these LLCs subsequently dissolved, making complaints as to the construction impossible. Additionally, these individuals used the same out-of-area addresses, and the same energy calculation firm on each of their permits. It was also found that a local contractor whose state issued

contractor's license had been revoked, was issued a permit and is still building, at the time of this report. The problematic builders did not provide construction warranties beyond that of the individual manufacturer. All of these scenarios resulted from inadequate handling of the permit process in the Paradise Permitting and Plan Department.

With the increased number of permits being processed, coupled with the lack of adequately trained permit technicians, the permitting protocols were either not performed, or received only cursory review. This failure to follow protocols also prevented the forwarding of correct information to the building inspectors regarding contractor issues and manufacturer's installation requirements.

California Business and Professions Code Section 7031.5 states:

“This code requires that each county or city that requires a permit for construction, alteration, improvement, demolition, or repair of a building must also require applicants to file a statement confirming their licensing status. This statement must include the license number and indicate that the license is in full force and effect, or provide the basis for any exemption”.

These factors did not come to light until individual home owners discovered deficient construction in their recently built homes. The buyers contacted the building department, City Manager, and the Town Council, questioning the inspection and approval process for occupancy. In response, the Town Council, with direction from the Town Administration, placed the Building Department on leave. Concurrently, the Town Council separated with the Town Manager by mutual consent. The Town Council then directed the Town Attorney to acquire the services of an independent consultant to audit the organizational structure, processes, inspection methods, and procedures of the Permitting and Planning Department and the Building Department. During the Civil Grand Jury's investigation and interview process, the Town of Paradise received the audit completed by the contracted expert and used the audit to formulate the Building Division Audit Corrective Action Plan (CAP). The CAP was presented to the Town Council and approved for implementation on or about February 2026. It should be noted that the Town Council declined two recommendations forwarded in the CAP. The current director in charge of building, code enforcement, plan review, and development engineering, also serves as the fire marshal overseeing supervision of the building permit issuance personnel. According to the Audit Memo these management duties, in conjunction with being the department co-director, have led to inefficiencies and a lack of proper supervision.

METHODOLOGY

The 2025-2026 Civil Grand Jury was contacted by multiple citizens within the Town of Paradise with concerns. We interviewed approximately thirty-five individuals, administrative staff, Town Council Members, and local contractors and stakeholders.

During the investigation, the 2025-2026 Butte County Civil Grand Jury reviewed:

- Public records;
- Town Council meeting agendas and minutes;
- Internal town policies and procedures manual;
- Job Announcements;
- Town of Paradise Employment Applications;
- Town of Paradise Employee Work Performance Reports;
- Individuals' Resumes;
- Individuals' Letters of Employment;
- Numerous email communications between various community members, council members and city staff;
- Audit Memo information;
- 2025 Building Division Audit Corrective Action Plan (CAP).

Interviews

The Grand Jury conducted extensive interviews with current county and town officials, county and town employees, contractors, and local stakeholders.

Documents Reviewed

During the investigation, the 2025-2026 Civil Grand Jury reviewed:

- Numerous public records;
- Town Council meeting agendas and minutes;
- Internal town policies and procedures;
- Town of Paradise job announcements, employment applications, employee work performance reports, resumes, and letters offering employment;
- Numerous email communications between administrative staff;
- California Building and Profession code 7044;
- California Building and Profession code 7031.5.
- California Labor Code Section 2750.

TIMELINE: KEY EVENTS IMPACTING THIS REPORT

- 2018 - Camp Fire
- 2019 - 2021 - Four Leaf Contract

- 2021 - The Council authorizes the hire of 11 employees within the Building and Inspection Department
- August 2025 - Town Manager Termination/Employees on Administrative Leave
- August/September 2025 - Two Interim Town Managers
- August/September 2025 - Audit
- September 2025 - Employees Return
- October 2025 - January 2026 - Community Action Plan

FINDINGS

The Butte County Civil Grand Jury finds:

F1. The Permitting and Plan Development department staff were hired without meeting the stated Town of Paradise minimum requirements, which contributed to substandard construction in some instances.

F2. The Permitting and Plan Development Department staff had a lack of basic knowledge relating to inspection protocols, code standards, and understanding the requirements of supplemental plan documents, including truss calculations, energy calculations and manufacturers' installation requirements. This allowed non-compliant builders to avoid detection.

F3. The Permitting and Plan Development Department staff were given a set amount of time to attend online classes and train to receive the needed code requirements, but to the date of this report have not completed them.

F4. That communication between the Permitting and Planning and the Building Departments is virtually non-existent. This factor led to inspectors in the field not having the correct information and missing manufacturing installation requirements.

F5. The Permitting and Planning Development Department issued permits to ineligible individuals without clarification of their relationship to the property, and allowed these individuals to sign the permit application as owners. The department violated the California Building and Permit Code 7044, and Labor Code Section 2750, as well as Business and Professions Code 7031.5.

RECOMMENDATIONS

The Civil Grand Jury recommends that the Paradise Town Council:

R1. Diligently follow the recommendations of the audit and the Corrective Action Plan (CAP) regarding the need for Permitting and Planning personnel to acquire necessary licensing and certifications. A report of this process is to be given to the citizens of Paradise on a quarterly basis at Town Council Meetings.

R2. Ensure that individuals reviewing the initial building permit applications become certified. In addition, certify the plan reviewer personnel to analyze truss calculations and energy calculations. This should also include the requirement to ensure that the contractor licenses, workers compensation insurance policies, and subcontractors insurance policies are current and valid as outlined within the CAP.

R3. Institute a process to track and document an employee's training development, from initial hiring throughout the individual's employment with the organization. This should include certifications, licensing, and professional updates as delineated in the CAP.

R4. Direct the Community Development Permitting and Planning Department to develop a checklist to ensure that each portion of the permit is completed properly. This review of information should be done with the applicant present and then followed up to ensure accuracy. This information should be communicated to the Building Inspection Department.

R5. To direct the Community Development, Permitting, and Planning Department verify those requesting building permits are authorized to do so under California Building and Permit Code 7044, and Labor Code Section 2750.

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code sections 933 and 933.05.

From the following individual or governing body to be received by the Presiding Judge within 90 days of receipt:

- Town of Paradise Town Council: respond from F1 to F5, and R1 to R5.

INVITED RESPONSES

From the following individuals to be received by the Presiding Judge within 60 days of receipt:

- The Human Resources Director: respond from F1 to F3, and R1 to R3.
- The Assistant Town Manager: respond to F1 to F5, and R1 to R5.
- The Directors of the Building Plan Development and Permitting Department: F1 through F5 and R1 through R5.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

Links to appropriate documents:

These links were active at the time of report.

Town of Paradise CAP

<https://www.townofparadise.com/building/page/building-division-audit-corrective-action-plan>

State of California Building and Professional Code 7044

<https://codes.findlaw.com/ca/business-and-professions-code/bpc-sect-7044/>

State of California Building and Professional Code 7031.5

<https://law.justia.com/codes/california/code-bpc/division-3/chapter-9/article-2/section-7031-5/>

State of California Building and Professional Code 7028

<https://law.justia.com/codes/california/code-bpc/division-3/chapter-9/article-2/section-7028/>

Town of Paradise
Administration Dysfunction
Investigation Report

The town of Paradise Administration works in an atmosphere of dysfunction and polarization.



Picture of Conference Room

June 5, 2026
Butte County Civil Grand Jury
2025 - 2026

TOWN OF PARADISE ADMINISTRATION DYSFUNCTION

The Town of Paradise Administration works in an atmosphere of dysfunction and polarization.

SUMMARY

During the Civil Grand Jury's inquiry into the Town of Paradise's operations, our interviews uncovered a workplace culture characterized by conflict and mistrust. We found that the resulting environment undermined the work of the Building Inspection and the Building Permitting Departments. As our interviews continued, we began watching live and recorded Town of Paradise Council meetings, reading town council minutes, and hearing complaints being made by the community and town staff. It became apparent that there was a diminished capacity for compromise and a lack of respect among administrative colleagues. This situation led the Civil Grand Jury to conclude that the Town of Paradise administrative staff, at all levels, had become polarized. This polarization resulted in a degraded working environment, rather than an "intentional" community with shared goals. A member of the Town's administrative staff suggested that there is no way we could overstate the seriousness of the issues. In addition, we were told that this conflict had created a culture that decreased the productivity of all staff. If there is a failure to correct these missteps, the Town of Paradise will continue to be weighed down by long-term negative impacts.

BACKGROUND

The Town of Paradise is a "General Law City", primarily governed by the California State Government Code rather than a city charter. In that capacity, its administration has published a "Town of Paradise Council Member Handbook" which discusses their duties and responsibilities. It also provides basic guidance for administering interactions with staff. Published annually, the most current handbook was passed, signed, and adopted unanimously by the Town Council on March 12, 2025, but has not, to our knowledge, been reviewed for the current year. According to the Handbook: "*The action of a Town Council Member is the public's business. Every citizen is a stakeholder entitled to be heard and to scrutinize the public and possibly the private conduct of their elected officials.*" As quoted in the Handbook on Page 19, there are "*Three things that need to be carried out as council duties: What needs to be done, what do the people want to be done, and what in broad policy is the best way to do it.*"

During our investigation, the Civil Grand Jury conducted extensive interviews with The Town of Paradise elected and appointed officials as well as administrative staff, and community stakeholders. Remarks, accusations, and information shared with us were

concerning. In the interviews references were made to profane shouting matches. There were accusations of being lied to, of favoritism, and remarks about fear for safety in the workplace and concerns about losing careers. Additionally, there was reference to lack of trust and a general consensus that the character of Paradise has changed. Signs of a breakdown of trust and comfort in the work place indicated to us that there is polarization that is creating a challenge for morale and functionality within the town. The Civil Grand Jury also interviewed independent consultants hired by the Town of Paradise. Their recommendation for the town aligned with our findings. Instead of working in a positive, productive, and intentional community there now appears to be evidence of some strain, anxiety, and distrust.

An additional issue troubling the administrative staff is the obvious usurping of the Town Manager's authority. There are strict guidelines in the Town Handbook requiring a specific chain of command that Council members have been ignoring for years, according to many interviewed staff members. This has contributed to the separation of four Town Managers in the last six years.

Interviewees told us that other staff left their position due to the complete and utter disrespect from certain Council members who insisted on directly approaching departmental staff and working around the Town Manager. This has created an impression that the administrative staff are inept at their jobs while simultaneously creating a challenging work environment.

The Paradise Municipal Code establishes the office and duties of Town Manager and states that the Town Council members shall deal with the administrative officers under the Town Manager's jurisdiction SOLELY THROUGH the TOWN MANAGER'S chain of command. A direct quote from the Town Council Handbook states: *"Any attempt by individual Council Members to short circuit the Town Manager's authority by issuing direct orders to officers or employees will cause friction in the administrative mechanism."*

In late 2025, due to increasing indications that the Town of Paradise was failing staff on multiple levels, the Paradise Town Attorney contracted with an independent expert auditor to do an investigation. The auditor wrote a report that was shared with the Town Council. We, the Civil Grand Jury, made a formal request through the Freedom of Information Act to receive a copy of the final audit. As of this date in May of 2026, we have still not received or seen a copy of the final audit. We were instead presented with a 2 ⅓ page "summary" of the audit. It is our concern that the summary may lack vital content that we feel should be made available to the entire community. The summary may also lack important recommendations regarding organizational structure that is desperately needed in both the Building Inspection Department and the Community Development Department.

After the audit was completed, the process led to the creation of the Town of Paradise 2025 Building Division Audit Corrective Action Plan (CAP). This document was a much-needed response to the town's functionality issues. The town had just hired a new Assistant Town Manager, and the job of creating the CAP fell on his shoulders. The CAP was created to be a "foundational accountability document developed in response to the 2025 independent audit of the Building Division".

Upon presentation and review of the CAP by the Town Council, certain recommendations (A3 and A4) that were specifically made by the expert auditor, and written into the CAP, were declined and not implemented. The Civil Grand Jury believes the recommendations that were declined would be an important addition to much needed departmental oversight. If the Town Council adopted A3 and A4 the result would be more evenly distributed job responsibilities.

METHODOLOGY

The Civil Grand Jury:

- Conducted no fewer than 35 interviews with administrative staff and members of the Town Council of the Town of Paradise as well as local contractors and community stakeholders;
- Obtained and reviewed the Town of Paradise "Town Council Handbook";
- Obtained and reviewed the Town of Paradise "2025 Building Division Audit Corrective Action Plan";
- Obtained and reviewed the Town of Paradise "Audit Memo dated October 13, 2025";
- Reviewed the Town of Paradise recorded and live Town Council Meetings;
- Reviewed the Town of Paradise' minutes and agenda packets;
- Obtained and reviewed numerous email communications between various community members, council members and city staff.
- Review the Town of Paradise Municipal Code.

FINDINGS

The Butte County Civil Grand Jury finds:

F1. That there is significant evidence of disrespect, distrust, and in some cases, outward fear and hostility among employees and colleagues within the Town Council and administration. This has led to challenges with morale and functionality within town governance.

F2. That the Town of Paradise Town Council failed to follow their own handbook which was approved and signed by each member. As a result, this action usurped the authority of the Town Manager and created an environment of dysfunction, distrust and a lack of proper communication and adherence to the organizational flow chart. These actions contributed to the departure of many Town Managers over a six-year period.

F3. Through interviews with various staff, required training and educational programs designated for staff development have not been carried out in a timely manner. There is no documentation of any training as required per State of California AB 1234, Ethics Training, as expanded by SB 827.

F4. The current Town of Paradise organizational chart is ambiguous and does not include the Town's Assistant Manager's position. This negatively impacts communication.

F5. That the Town of Paradise departments do not appear to have an established confidential employee feedback mechanism. This prevents useful staff feedback regarding their workplace concerns.

RECOMMENDATIONS:

The Butte County Civil Grand Jury recommends:

R1. The Town Council review and adhere to the standards of conduct outlined in Section 10 of the Town of Paradise Council Members Handbook. This should be done as a group and as an administrative staff.

R2. The Town Council update their review, passing, and adoption of the Handbook for this fiscal year and document this as an annual requirement during the next Town Council Meeting.

R3. That all elected Town Council and appointed officials be required to undergo Ethics and Fiscal Training as required by State of California AB1234 and as expanded and

subsequent to SB827 within the required 6 months. This requirement should be documented and reported within each individual's training records as required.

R4. That the Town Council develop and maintain a current organization chart for Town Administration, Community Development, and the Building Department delineating the following:

- Line of supervisorial authority;
- Reporting relationships;
- Management accountability for certification compliance and performance evaluation.

The organization chart should be approved by the Town Council and incorporated into formal administrative practices to ensure sustained clarity and accountability.

R5. The Town of Paradise establish a confidential employee feedback mechanism to allow employees to safely report concerns regarding workplace conditions without fear of retaliation.

REQUIRED RESPONSES:

The following responses are required pursuant to Penal Code sections 933 and 933.05.

From the following individual or governing body to be received by the Presiding Judge within 90 days of receipt:

- Town of Paradise Town Council: respond from F1 to F5, and R1 to R5.

INVITED RESPONSES:

From the following individual to be received by the Presiding Judge within 60 days of receipt:

- Human Resources Director: respond to F1, F3, F4 and F5 and R1, R3, R4 and R5.
- The Assistant Town Manager: respond to F1, F3, F4 and F5 and R1, R3, R4 and R5.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

Links to appropriate documents:

The following are the links to associated documents listed in the above report:

The Town of Paradise 2025 Building Division Audit Corrective Action Plan (CAP)

<https://www.townofparadise.com/building/page/building-division-audit-corrective-action-plan>

Butte County Civil Grand Jury

2025 – 2026

Links to the 2024 – 2025 Butte County Grand Jury Report and Responses

[Grand Jury Report Fiscal Year 2024-2025 \(PDF\)](#)

Department Responses to Grand Jury Report

- [Butte County Public Health Response to 2024-2025 Grand Jury Report \(PDF\)](#)
- [Butte County Water Commission Response to 2024-2025 Grand Jury Report \(PDF\)](#)
- [Butte County WRC Response to 2024-2025 Grand Jury Report - Palermo Needs Clean Water \(PDF\)](#)
- [Butte County WRC Response to 2024-2025 Grand Jury Report - Ditches, Disease, and Delay \(PDF\)](#)
- [Butte County Public Works Response to 2024-2025 Grand Jury Report \(PDF\)](#)
- [Butte County Board of Supervisors Response to the 2024-2025 Grand Jury Report \(PDF\)](#)

Other Responses

- [City of Biggs Response to 2024-2025 Grand Jury Report \(PDF\)](#)
- [City of Biggs Second Response to 2024-2025 Grand Jury Report \(PDF\)](#)
- [Wyandotte Creek Groundwater Sustainability Agency Response to 2024-2025 Grand Jury Report \(PDF\)](#)

These links were current and accurate at the date of publication.

