City of Villa Park
17855 Santiago Boulevard
Villa Park, California 92861
(714) 998-1500

COMMUNITY DEVELOPMENT AND PUBLIC SAFETY COMMITTEE

Agenda
May 4, 2015
6:00 p.m.

The Community Development and Public Safety Committee of the City of Villa Park welcomes you to this meeting. We encourage your participation. This agenda contains a brief description of each item to be considered.

If you wish to speak on an item contained on the agenda, please approach the podium at the time the item is being considered. Upon recognition by the Chair, state your name and address for the record prior to providing your comments. Speakers will be limited to a time period set by the presiding officer.

All supporting information is available for public review in the City Hall offices.

Please Note: In compliance with the Americans with Disabilities Act, the City of Villa Park will make every reasonable attempt to accommodate attendees or participants at this meeting who need special assistance beyond what is normally provided. Please contact the City Hall at (714) 998-1500 at least 48 hours prior to this meeting to inform us of particular needs and to determine if accommodation is feasible, Please advise us at the time of your call if special assistance is required to attend or participate in meetings on a regular basis.

ORDER OF BUSINESS

1. CALL TO ORDER / ROLL CALL & INTRODUCTIONS

2. PUBLIC COMMENT

3. DISCUSSION ITEMS

   A) 18262 Fernando Circle – Adjustment to side yard setback
   B) April 2015 Building & Safety Report
   C) Pavement Management Program update - verbal
   D) HERO Program (for PACE financing)
   E) Master Plan of Recreational Trails
   F) Flood Hazard Zones
   G) Rockwell's / The Post "Driveway" Events

4. ADJOURNMENT

   Next meeting: Monday, June 2, 2015 at 6:00 p.m.

City of Villa Park

17855 Santiago Boulevard, Villa Park, California 92861-4187
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MEMORANDUM

DATE: April 30, 2015

TO: Community Development and Public Safety Committee

FROM: Jarad Hildenbrand, City Manager

SUBJECT: 18262 Fernando Circle – Adjustment to side yard setback

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The property owner at 18262 Fernando Circle has requested an adjustment to the side yard setback, to allow a room addition to come within 7.5 feet from the west property line. The required setback is 10 feet. Per Villa Park Municipal Code Section 23-20.2. The City Manager is authorized to approve requests for an adjustment. An adjustment is any variance to the terms or requirements of the zoning chapter which, if granted, would result in a decrease of not more than twenty-five (25) percent of the required rear or side yard setback.

CITY OF VILLA PARK

APRIL 2015 Building & Safety Report

Permit Number	Date Issued	Project Address	Type of Permit	Project Valuation	Permit Fee	Plan Check Fee	SMIP Fee	State Fee	Micro Fee
19498	4/1/2015	9801 Daron Drive	Reroof	$ 7,500.00	$ 276.00			$ 1.00	$ 5.00
19499	4/1/2015	9822 Verde Lomas Circle	Spa	$ 20,000.00	$ 522.00			$ 1.00	$ 5.00
19500	4/3/2015	9692 Brynmar Drive	Reroof	$ 25,000.00	$ 276.00			$ 1.00	$ 5.00
19501	4/3/2015	18402 Old Lamplighter Cir.	Solar	$ 36,000.00	$ 245.00			$ 2.00	$ 5.00
19502	4/3/2015	9652 Crestview Circle	Remodel	$ 29,000.00	$ 276.00			$ 1.00	$ 5.00
			Plumbing						
			Electrical						
19503	4/3/2015	18131 Lincoln Street	Solar	$ 40,000.00				$ 2.00	$ 5.00
			Electrical		$ 151.00				
19504	4/6/2015	9851 Center Drive	Remodel	$ 30,000.00	$ 747.00			$ 2.00	$ 5.00
			Plumbing		$ 151.00				
			Electrical		$ 151.00				
19505	4/8/2015	9311 Hunting Circle	HVAC		$ 281.00			$ 1.00	$ 5.00
19506	4/8/2015	18102 Mark Circle	Masonry Wall	$ 6,000.00	$ 340.00			$ 1.00	$ 5.00
19507	4/8/2015	10051 Center Drive	HVAC		$ 281.00			$ 1.00	$ 5.00
19508	4/8/2015	18501 Robin Way	Pool Remodel	$ 10,000.00	$ 340.00			$ 1.00	$ 5.00
19509	4/8/2015	10082 Sycamore Circle	Pool Remodel	$ 20,000.00	$ 340.00			$ 1.00	$ 5.00
19510	4/10/2015	10082 Sycamore Circle	Plan Check	$ 25,000.00		$ 746.00		$ 1.00	$ 5.00
19511	4/10/2015	9712 Eastwood Circle	Solar	$ 59,000.00	$ 245.00			$ 3.00	$ 5.00
			Electrical		$ 214.00				
19512	4/13/2015	10415 Alma Lane	Addition	$ 15,000.00	$ 745.25		$ 1.75	$ 1.00	$ 5.00
			Electrical		$ 151.00				
19513	4/13/2015	18262 Fernando Circle	Addition	$ 52,000.00		$ 746.00		$ 1.00	$ 5.00
19514	4/13/2015	9182 Smoketree Lane	Addition	$ 12,000.00	$ 747.00	$ 275.00	$ 1.56	$ 1.00	$ 5.00
19515	4/13/2015	18010 Mark Circle	Masonry Wall	$ 4,000.00	$ 15.00			$ 1.00	$ 5.00
19516	4/13/2015	18082 Mark Circle	Masonry Wall	$ 6,000.00	$ 15.00			$ 1.00	$ 5.00
19517	5/15/2015	9931 Smoketree Lane	Plumbing		$ 150.56			$ 1.00	$ 5.00
19518	4/15/2015	9901 Larson Circle	Remodel	$ 12,000.00	$ 494.00			$ 1.00	$ 5.00
19519	4/15/2015	10701 Adams Circle	Solar	$ 30,000.00	$ 245.00			$ 1.00	$ 5.00
19520	4/15/2015	18432 Hillcrest Ave	Patio Cover	$ 5,000.00	$ 496.00			$ 1.00	$ 5.00
19521	4/17/2015	9511 Lemon Street	Pool Remodel	$ 18,000.00	$ 527.00			$ 1.00	$ 5.00
19522	4/17/2015	9621 Loma Street	Demo	$ 3,000.00	$ 105.00			$ 1.00	$ 5.00
19523	4/20/2015	18402 Santiago Blvd	Masonry Wall	$ 9,000.00	$ 340.00			$ 1.00	$ 5.00
19524	4/20/2015	10140 Three Arches Circle	Patio Cover	$ 12,000.00	$ 276.00			$ 1.00	$ 5.00

19525	4/22/2015	10331	Center Drive	Plumbing	$ 151.00					$ 1.00	$ 5.00
19526	4/22/2015	9672	Eastwood Circle	Repair	$ 11,000.00	$ 340.00				$ 1.00	$ 5.00
19527	4/22/2015	18322	Jocotal Ave	Addition	$ 265,000.00	$ 1,029.00			$ 34.45	$ 11.00	$ 5.00
19528	4/24/2015	18392	Santiago Blvd	Masonry Wall	$ 6,000.00	$ 30.00				$ 1.00	$ 5.00
19529	4/24/2015	18421	Old Lamplighter Cir.	Masonry Wall	$ 4,000.00	$ 30.00				$ 1.00	$ 5.00
19530	4/27/2015	9591	James Circle	Addition	$ 10,000.00	$ 500.00				$ 1.00	$ 5.00
19531	4/27/2015	9501	Villa Isle	HVAC	$ 9,000.00	$ 182.00				$ 1.00	$ 5.00
19532	4/29/2015	18301	Hillcrest Ave	Plan Check	$ 8,000.00		$ 746.00			$ 1.00	$ 5.00
19533	4/29/2015	18832	Patrician Drive	Entry Cover	$ 25,000.00	$ 496.00				$ 2.00	$ 5.00
19534	4/29/2015	18772	Ridgewood Lane	Remodel	$ 20,000.00	$ 250.00	$ 200.00			$ 1.00	$ 5.00
19535	4/29/2015	18121	James Road	Guest House	$ 108,000.00	$ 1,028.00			$ 14.04	$ 5.00	$ 5.00

Totals For the Month:	Project Valuation	Permit Fee	Plan Check Fee	SMIP Fee	State Fee	Micro Fee
	$ 951,651.00	$ 13,027.81	$ 2,713.00	$ 51.80	$ 58.00	$ 190.00

City of Villa Park

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MEMORANDUM

DATE: April 30, 2015

TO: Community Development and Public Safety Committee

FROM: Jarad Hildenbrand, City Manager

SUBJECT: HERO Program (for PACE financing)

The City Council previously considered the HERO program its May 2013 and February 2014 meetings. Information regarding the program is attached as well as minutes from the respective Council meetings. In short, the HERO Program allows home and business owners to finance energy efficiency, renewable energy and water conservation improvements that would be repaid over time through annual property tax payments.

What cities currently participate? (as of October 2, 2014)[1]

Aliso Viejo	Fountain Valley	Newport Beach
Anaheim	Garden Grove	Placentia
Brea	Huntington Beach	Rancho Santa Margarita
Buena Park	La Palma	Santa Ana
Costa Mesa	Laguna Hills	Stanton
Cypress	Lake Forest	Tustin
		Westminster

[1] Retrieved from ACC-OC: http://www.accoc.org/california-hero-program-in-orange-county/

MAYOR AND COUNCILMEMBER MATTERS
AGENDA ITEM # ____

CITY OF VILLA PARK
CITY COUNCIL
FEBRUARY 25, 2014

To: Honorable City Council

From: Jarad Hildenbrand, City Manager

SUBJECT: **COUNCILMEMBER REQUESTED MATTER (MILLS): CALIFORNIA HERO PROGRAM**

This matter was first considered by the City Council at the request of Councilmember Reese in May, 2013.

BACKGROUND:

Assembly Bill (AB) 811 was signed into law on July 21, 2008, and AB 474, effective January 1, 2010, amended Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") and authorizes a legislative body to designate an area within which authorized public officials and free and willing property owners may enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, and/or water conservation improvements that are permanently fixed to real property, as specified. The financing for these improvements has come to be known as PACE, which stands for Property Assessed Clean Energy.

The HERO Program (for PACE financing) has been very successful in Western Riverside County, since its launch in late 2011; the Program has approved over $130 million in applications and has funded over $30 million in projects. Because of its success, the California HERO Program is now being offered to provide additional California cities and counties with a turnkey program that saves significant time, cost and local resources that would otherwise be needed to develop a new local program. Jurisdictions only need to adopt the form of resolution accompanying this staff report and approve an amendment to the joint exercise of powers agreement, related to the California HERO Program, and provided as an attachment to the resolution.

ANALYSIS:

The California HERO Program is being offered to allow property owners in participating cities and counties to finance renewable energy, energy and water efficiency improvements, and electric vehicle charging infrastructure on their property. If a property owner chooses to participate, the installed improvements will be financed by the issuance of bonds by a joint powers authority, Western Riverside Council of Governments ("WRCOG"). The bonds are secured by a voluntary contractual assessment levied on such owner's property, with no recourse to the local government

or other participating jurisdictions. Participation in the program is 100% voluntary. Property owners who wish to participate in the program agree to repay the amount borrowed through the voluntary contractual assessment collected together with their property taxes. This financing is available for eligible improvements on both residential and non-residential properties.

The benefits to the property owner include:

- Eligibility: In today's economic environment, alternatives for property owners to finance renewable energy/energy efficiency/water efficiency improvements or electric vehicle charging infrastructure may not be available. As such many property owners do not have financing options available that would provide funding for improvements that lower their utility bills.
- Savings: Energy prices continue to rise and selecting in energy efficient, water efficient and renewable energy improvements reduces utility bills.
- 100% voluntary. Property owners can choose to participate in the program at their discretion. Improvements and properties must meet eligibility criteria in order to qualify for financing.
- Payment obligation stays with the property. Under Chapter 29, a voluntary contractual assessment stays with the property upon transfer of ownership. Certain residential conforming mortgage providers will, however, require the assessment be paid off at the time the property is refinanced or sold.
- Prepayment option. The property owner can choose to pay off the assessments at any time, subject to applicable prepayment penalties.
- Customer oriented program. Part of the success of the program is the prompt customer service. Committed funding partners provide funding promptly upon project completion resulting in both property owner and contactor satisfaction.

The benefits to the City include:

- An increase in property values (energy efficient homes and buildings are worth more money).
- An increase in sales, payroll and property tax revenue.
- As in conventional assessment financing, the City is not obligated to repay the bonds or to pay any delinquent assessments levied on the participating properties.
- All California HERO Program and assessment administration, bond issuance and bond administration functions are handled by California HERO. Little, if any, City staff time is needed to participate in the California HERO Program.
- By leveraging the already successful HERO Program, the City can offer financing to property owners more quickly, easily and much less inexpensively than establishment of a new local Program.

The proposed resolution enables the California HERO Program to be available to owners of property within our City to finance renewable energy, energy efficiency and

water efficiency improvements and electric vehicle charging infrastructure. The resolution approves an Amendment to the WRCOG Joint Powers Agreement to add the City as an Associate Member in order to enable the California HERO Program to be offered to the owners of property located within the City who wish to participate in the California HERO Program

Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac
PACE enabling legislation was adopted by the State of California to encourage the adoption of energy efficiency, renewable energy and water efficiency measures on homes and businesses. When the legislation was enacted, many people believed PACE was an attractive financing option due to its ability to automatically transfer payments to a new owner if the property sold.

In response to the Directive issued by the FHFA on July 6, 2010 and implemented, in part, by Fannie and Freddie (Government Sponsored Entities, GSEs) on August 31, 2010, mortgage originators were informed that the GSEs would not be purchasing any mortgages with PACE liens.

In response to this, the State of California and other entities filed lawsuits against FHFA. The original intent of the lawsuit was to amend or dismiss the Directive by requiring that FHFA follow the rulemaking procedures as set forth under the Administrative Procedure Act. On October 16, 2010, the District Court issued a judgment which required FHFA to go through the rule making procedures. However, the trail court ruled that the FHFA's Directive would continue in effect. FHFA filed an appeal with the Ninth Circuit Court of Appeal, seeking to overturn the judgment requiring the FHFA to go through the rule making procedures. On March 19, 2013, the Ninth Circuit Court of Appeals ruled that the FHFA did not have to follow the rule making procedures in order to issue the Directive and dismissed the case. Thus, the FHFA does not need to go through the rule making procedures.

In the July 6, 2010 statement issuing the Directive, FHFA supported PACE programs whose assessments are junior/subordinate to Fannie/Freddie's mortgage interests. The statement also directed Fannie/Freddie to implement the following additional actions:

- Adjusting loan-to-value ratios to reflect the maximum permissible PACE loan amount available to borrowers in PACE jurisdictions;
- Ensuring that loan covenants require approval/consent for any PACE loan;
- Tightening borrower debt-to-income ratios to account for additional obligations associated with possible future PACE loans;
- Ensuring that mortgages on properties in a jurisdiction offering PACE-like programs satisfy all applicable federal and state lending regulations and guidance.

FHFA stated that "Nothing in this Statement affects the normal underwriting programs of the regulated entities or their dealings with PACE programs that do not have a senior

lien priority." To date neither Fannie nor Freddie have taken action to implement any of the additional actions contained in the Directive.

The PACE enabling legislation in California provides that PACE assessments, like traditional assessments levied by public agencies in California, are equal in priority as general property taxes and as such are senior to private debt on the property and thus have first liens/senior liens priority. However under federal law, the Ninth Circuit Court of Appeal, which includes California, in Rust v. Johnson (9th Circuit (1979) 597 F.2d 174) ruled that local government cannot collect payment of assessments if they impair loans insured or owned by Freddie/Fannie ("Conforming Loans"). The court ruled that if a federal government entity has a mortgage interest on a parcel subject to assessments or special taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to preserve the federal government mortgage interest. Thus under federal law as set forth in the opinion under Rust v. Johnson, assessments, including PACE assessments, placed on the property are not "first liens" or "senior liens" with respect to Conforming Loans. Disclosure of Rust v. Johnson has been provided for in Official Statements of Municipal Bond issuances for traditional assessment district and community facilities district bond issues since 1979, in a form similar to the following:

> Portions of the property within the Assessment District may now or in the future secure loans. Any such loan is subordinate to the lien of the Assessments. However, (a) in the event that any of the financial institutions making the loan that is secured by real property within the Assessment District is taken by the Federal Deposit Insurance Corporation ("FDIC"), (B) the FDIC or another federal entity acquires a parcel subject to the Assessment lien, (C) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or similar federal agency or instrumentality has a mortgage interest in a loan on property subject to the Assessment lien, and, prior thereto or thereafter, the loan or loans go into default, the ability of the City to collect the interest and penalties specified by state law and to foreclose the lien of a delinquent unpaid assessment may be limited.

Additionally, under federal law, subordinate liens to mortgages are permitted and cannot be blocked (See U.S. Code Title 12 Banks and Banking, Section 1701j-3). Thus, the impact of a PACE assessment being subordinate in effect to the interests of Fannie/Freddie by virtue of the ruling in Rust v. Johnson and the inability to prevent a person from putting a subordinate lien on their property may make it difficult for FHFA/Fannie/Freddie to impose additional Directives adversely affecting the property owner's mortgage.

FISCAL AND STAFF IMPACTS:

There is no negative fiscal impact to the City's general fund will be incurred by consenting to the inclusion of properties within the City limits in the California HERO

Program. All California HERO Program administrative costs are covered through an initial administrative fee included in the property owner's voluntary contractual assessment and an annual administrative fee which is also collected on the property owner's tax bill.

RECOMMENDATION:

Adopt the attached Resolution No. 2014-3271 approving an Amendment to the WRCOG Joint Powers Agreement to add the City as an Associate Member in order to authorize the City's participation in the California HERO Program, which will enable property owners to finance permanently fixed renewable energy, energy and water efficiency improvements and electric vehicle charging infrastructure on their properties.

AYES: Barnett, Mills, Pauly, Reese

NOES: Fascenelli

ABSENT: None

ABSTAIN: None

CONSENT CALENDAR (ITEMS #3-5)

It was moved by Councilman Reese, seconded by Mayor Pro Tem Fascenelli, and carried by the following roll call vote to approve the Consent Calendar:

AYES: Reese, Fascenelli, Mills, Pauly, Barnett

NOES: None

ABSENT: None

ABSTAIN: None

3. Warrants and disbursements from January 14, 2014, through February 7, 2014.

ACTION: Approve warrants and disbursements in the amount of $360,606.13.

4. Financial Treasurer's Report for month of January, 2014.

ACTION: Receive and file.

5. Request approval of City Council minutes of January 28, 2014.

ACTION: Approve.

Mayor Barnett announced a 5 minute recess.

NEW BUSINESS

11. Council Member Requested Matter (Mills): California HERO Program.

Councilman Mills presented on possibly joining the California HERO Program.

WRCOG Executive Director Rick Bishop presented to Council.

Council members clarified parts of the presentation.

Councilman Mills proposed the City allows the program, but not endorse.

Mayor Pro Tem Fascenelli does not agree with the government using individual's homes as a financing mechanism.

Councilman Reese asked if the program can be a tax write-off.

Councilwoman Pauly does not believe the residents of Villa Park will take part in the program. The only thing the program gets from working with Villa Park is the conservative Villa Park name on a non-conservative program.

Bob Jordan, 9851 Center Dr, does not believe it is city business to determine if residents may or may not engage in this program if they want to.

Councilman Reese says it is not the City's financial decision to limit what residents can decide to so with their own finances.

Mayor Barnett believes there could be more chances of exploiting residents then benefit for the few who could benefit from the loan. While he does not want to restrict what residents can do he is against the program. Additionally, by allowing the program it enables their access to government privileges.

It was moved by Councilwoman Pauly, seconded by Mayor Barnett, and carried by the following roll call vote to not join the California HERO Program:

AYES: Pauly, Barnett, Reese, Fascenelli

NOES: Mills

ABSENT: None

ABSTAIN: None

6. <u>Consideration of Business License Program.</u>

City Manager Jarad Hildenbrand presented the staff report.

Mayor Barnett is in favor of a simplified business license program that exempts City domestic services from fees. Councilman Reese is also in favor of this.

Councilwoman Pauly is mainly concerned with the administrative fee that is the main source of government expansion. She is in favor of a simplified program that does not require an administrative fee.

ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

MAYOR AND COUNCILMEMBER MATTERS

12. Councilmember requested matter (Reese): Property Assessed Clean Energy (PACE) Program.

City Council discussion ensued with regards to the PACE Program.

It was moved by Mayor Reese, seconded by Mayor Pro Tem Barnett to participate in California HERO Program as an Associate Member in the Western Riverside Council of Governments:

AYES:	COUNCILMEMBERS:	Reese
NOES:	COUNCILMEMBERS:	Barnett, Fascenelli, Mills, Pauly
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

13. Individual councilmember information items and/or required meeting attendance reports.

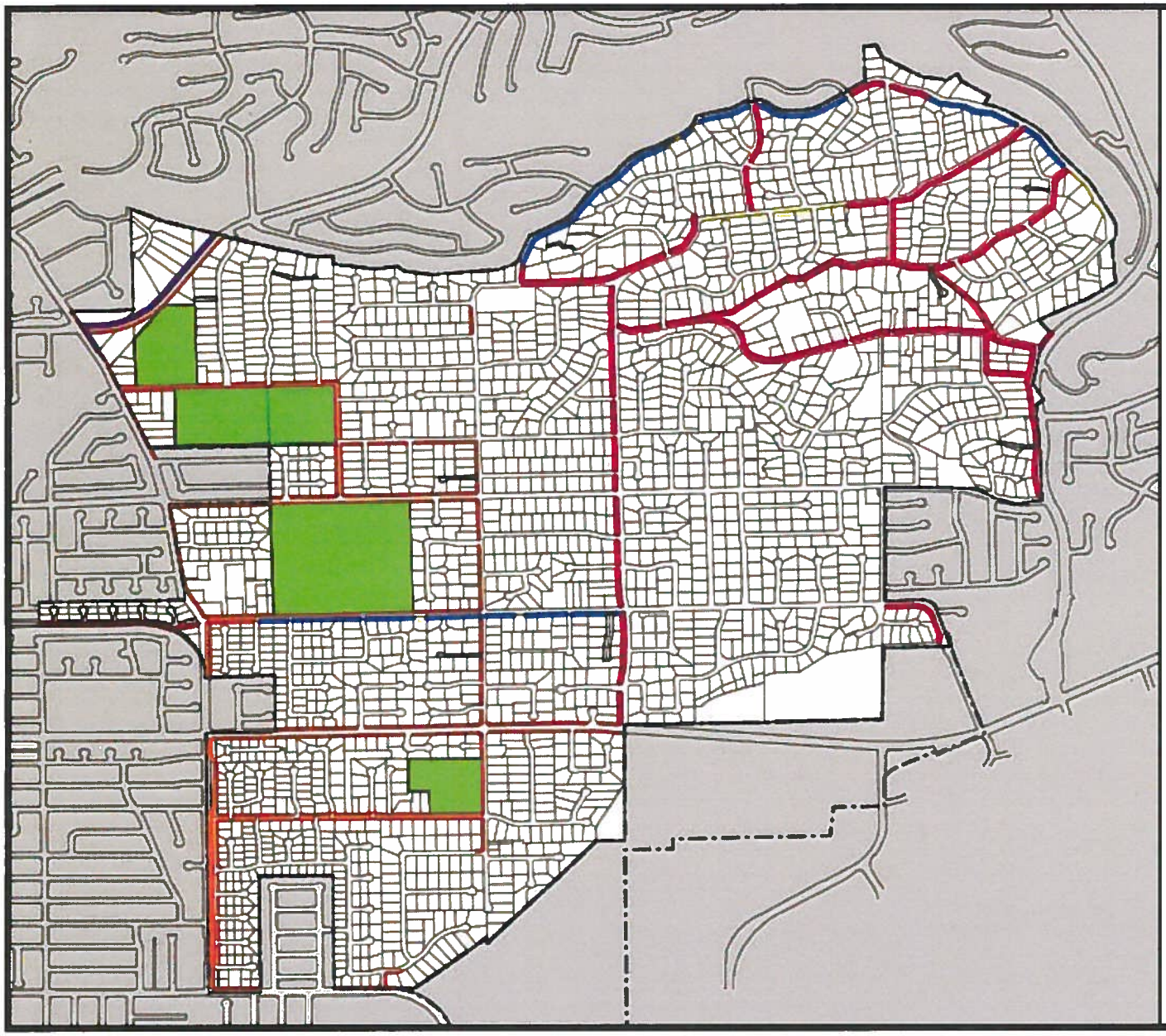
Councilmember Mills reported on the Community Development Committee, the Library Advisory Board, Orange County Vector Control District and Community Picnic.

Councilmember Pauly reported on the remodel of Suzies Beauty Supply, the Eleted Officials' Prayer Breakfast, the IRS Protest Rally in Santa Ana, and announced the memorial services for Anita Bennyhoff.

Mayor Reese reported on the Budget and Finance Committee meeting and Orange County Sanitation District Board meeting.

Mayor Pro Tem Barnett reported on the Budget and Finance Committee meeting and Orange County Fire Authority Board meeting.

Councilmember Fascenelli reported on the City/School Committee meeting, Foundation meeting, Serrano Water District Board meeting and Community Development Committee meeting.



City of Villa Park

2010 General Plan

Exhibit V-1

Recreational Trails & School Sites

Legend

- Proposed
- Undeveloped
- Sidewalk
- Decomposed Granite (DG)
- DG and Recreational Fence
- School Sites

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MEMORANDUM

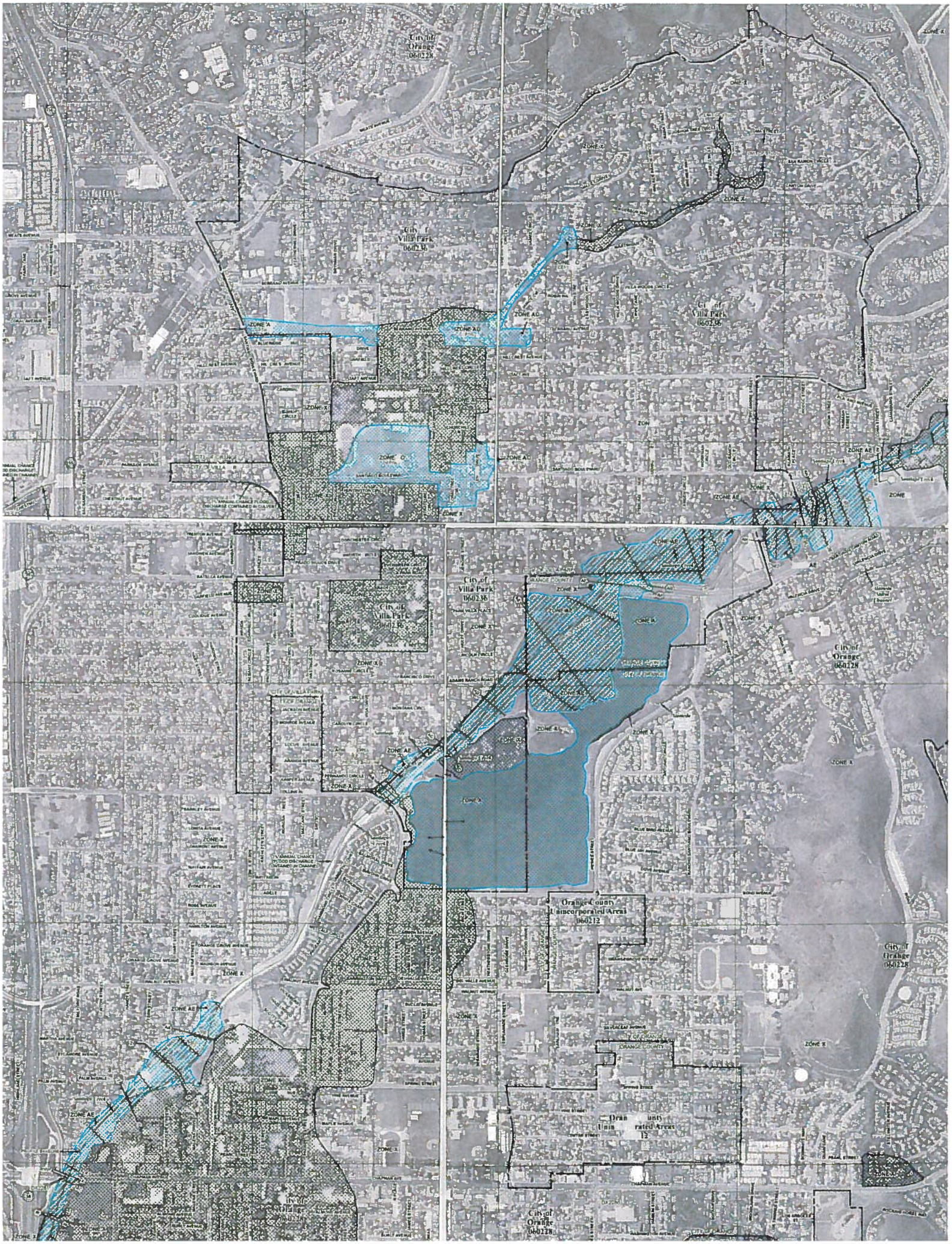
DATE: April 30, 2015

TO: Community Development and Public Safety Committee

FROM: Jarad Hildenbrand, City Manager

SUBJECT: Flood Hazard Zones

Councilman Collacott would like to propose that the City contact the Orange County Flood Control District to get an assessment of what it would take to get a project going to eliminate flood hazard.


City of Orange 060228
City of Villa Park 060236
City of Villa Park 060236
City of Villa Park 060236
City of Villa Park 060236
City of Orange 060228
Orange County Unincorporated Areas 060212
City of Orange 060228
City of Orange 060228
City of Orange 060228
ZONE X
ZONE AE
ZONE A

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MEMORANDUM

DATE: April 30, 2015

TO: Community Development and Public Safety Committee

FROM: Jarad Hildenbrand, City Manager

SUBJECT: Rockwell's / The Post

The City has received a couple of complaints regarding "driveway" events held in front of Rockwell's/The Post. The most recent complaint came from the Villa Park Little League's Dinner/Dance event held on March 21. At the April CDC meeting, the Committee requested a discussion regarding the matter.