



## **CITY OF SAN DIMAS Retreat Meeting Agenda**

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**COUNCIL – STAFF RETREAT SESSION AGENDA  
MONDAY DECEMBER 10, 2012 5:00 PM - 9:00 PM  
CITY COUNCIL CHAMBERS CONFERENCE ROOM  
SAN DIMAS CITY HALL  
245 EAST BONITA AVENUE**

1. **30 minutes** 2011-12 Audit report. Receive a summary of the past fiscal year, general discussion of the audit results, consider recommendations regarding the allocation of one-time funds.
2. **5:30 pm – 15 minutes** Receive staff summary of the recently State adopted Pension Reform measures and how they relate to San Dimas.
3. **5:45 pm – 30 minutes** Update on the Redevelopment Dissolution Process – Successor Agency activities and responsibilities – where we are, what is coming, and what has been and will be the issues.
4. **6:15 pm – 30 minutes** City's Utility Undergrounding requirements. Review and discussion of issues in the application of the requirements. Identification of alternatives and concepts the city could consider. Initial direction from the city council.
5. **6:45 pm – 15 minutes** follow up discussion regarding Walker House rental process as they relate to the San Dimas Historical Society and Festival of Arts.
6. **7:00 pm – 30 minutes** Zoning alternatives for affordable housing – housing element discussion.
7. **7:30 pm – 20 minutes** Update on major planning projects.
8. **7:50 pm – 10 minutes** Council comments – projects for staff to work on.
9. Oral Communications – Members of the audience. Anyone wishing to address the City Council on an item not on the agenda. No action or discussion shall be undertaken on any item not appearing on the posted agenda. Speakers may be subject to a time limit as may be determined by the chair.
10. Adjournment – next meeting of the City Council Adjournment – next meeting of the City Council December 11, 2012 7:00 pm, City Hall.



# CITY OF SAN DIMAS Retreat Staff Reports

## COUNCIL – STAFF RETREAT SESSION AGENDA MONDAY DECEMBER 10, 2012 5:00 PM - 9:00 PM

- 1. 30 minutes 2011-12 Audit report. Receive a summary of the past fiscal year, general discussion of the audit results, consider recommendations regarding the allocation of one-time funds.**

### REPORT ON 2011- 2012 FISCAL YEAR END

The City's auditors have finalized the year-end audit for FY 11 -12. This year the audit was much more complex due to the dissolution of the Redevelopment Agency and the transfers of assets. At the December 11<sup>th</sup> City Council meeting the Council will be approving the Audit Report. The purpose of the item this evening is to review the fiscal year end revenues, expenditures and reserve balance based upon the audited numbers.

### GENERAL FUND REVENUES

Overall General Fund revenues were \$18,996,790. This is compared to the adopted budgeted amount of \$19,720,064. As you can see the actual revenue was significantly, \$723,274, less than the original adopted budget. The chart below shows the significant revenue sources and the deviations from budget.

CATEGORY	BUDGET	ACTUAL	NOTES
Property Tax	\$2,252,000	\$2,471,892	Includes \$226,811 in unbudgeted residual tax increment sharing from the RDA dissolution
Sales Tax	\$5,710,305	\$5,704,431	The budget did not include any sales tax from the major sales tax producing business that closed this year.
Franchise Tax	\$2,021,300	\$2,068,098	
Transient Occupancy Tax	\$660,000	\$699,916	
Building Permits	\$290,500	\$766,171	The budget was very conservative. Actual revenue reflects a significant increase in permit activity.

Interest Earnings	\$168,950	\$191,735	
Vehicle License Fees	\$3,100,000	\$2,914,926	
Business License	\$407,000	\$399,049	
Parking Permits/Citations	\$503,000	\$418,078	
Local Ord. Violation /Vehicle Violations	\$242,800	\$229,355	There was a significant decrease in motor vehicle violation fines but an increase in other local ordinance fines.
Development Service Fees	\$34,400	\$69,696	As with permits there was a significant increase in planning fees.
Recreation Programs	\$460,600	\$519,870	
Swim & Racquet Club	\$234,790	\$259,291	
Golf Course Loan	\$347,500	\$326,924	
CRA Loans	\$1,257,580	\$0	Due to the RDA dissolution and the State not acknowledging loans owed to the City there were no loan payments made.
CRA Payment for Admin Costs	\$632,359	\$368,876	Due to the RDA dissolution the amount of reimbursement to the General Fund for staff costs for redevelopment and housing staff was significantly reduced.

## GENERAL FUND EXPENDITURES

Overall General Fund expenditures were \$19,438,251 which included the unbudgeted one time transfer of \$1,000,000 to other Special Funds approved by the city council as part of the financial review completed at the fall retreat 2011. This compares to the budgeted amount of \$18,718,489, which did not include anticipate the \$1,000,000 Special Fund transfer. Actual expenditures were \$719,762 more than budget.

Almost every Division was able to hold expenditures to below budget, some by as much as 10%. It should also be noted all budgeted personnel costs required updating because of the COLA that was approved and implemented in November 2011. The following is a list of significant individual or categories of expenditure deviations from the FY 11-12 budget to actual.

EXPENSE/CATEGORY	BUDGET	ACTUAL	NOTES
Sherriff's Budget	\$5,323,869	\$4,981,275	Reduction due to Motor Deputy injured part of the year; suspension of Liability Trust Fund for the year; use of COPS grant for portion of School Resource Officer and Probation contract

Storm Damage	\$30,000	\$105,422	Unanticipated expense for storm cleanup
Downtown Façade Program	\$0	\$273,656	Mid-year Council approval of Downtown Façade Improvement program
Northern Foothills Hydrology Study	\$0	\$12,324	Mid-year Council approval of the hydrology study
Contract Plan Check	\$25,000	\$69,926	Backfill with contract labor for vacant Plan Checker position
COLA and Cafeteria Benefit increase approved and implemented 11/12	Not budgeted	2.5% COLA for all personnel. \$50 f/t, \$25/ p/t cafeteria increase	
General Fund transfers to Special Funds	Not budgeted	\$1,000,000	Excess reserve transferred to Park Development - \$, Infrastructure - \$, Equipment Replacement- \$

### **ENDING FUND BALANCE**

The General Fund Balance at the end of FY 2010-11 was \$14,052,559. At that time the council allocated \$1,000,000 to other funds leaving an adjusted fund balance of \$13,052,559. The adopted FY 2011-12 budget had an estimated ending fund balance, or cash reserve, of \$13,862,067. The actual audited ending Fund Balance was \$13,597,138. Which means that \$387,534 in reserve funds were utilized to balance the budget in FY 10-11. The ending reserve fund balance of \$13,597,138 is 75% of the FY 12 -13 General Fund expense budget.

In prior years the practice has been to look at the year-end audited numbers and make decisions on allocation of additional fund balance to some of the City's special funds. Staff's recommendation is that because of the ongoing tenuous nature of the Redevelopment Agency dissolution process that we leave the reserve funds 'as is' at this time.

### **FISCAL YEAR 12-13**

The Council is reminded that the above report is on Fiscal Year 2011-12. Fiscal Year 12- 13 began on July 1, 2012. As the Council will recall FY 12-13 included a number of budget reductions including the reduction in several positions and reductions in employee benefit costs. All of these reductions have taken place. In addition there have been a few additional unexpected staff vacancies that were not anticipated in the budget adoption. Most of these positions have been filled or are in the process of being filled. Even with the budget reductions the FY 12 -13 budget was adopted with the anticipation of utilizing some reserves this year. This is another reason to be cautious in not making any immediate decisions on allocation of additional reserve funds.

## **FISCAL YEAR 13-14**

We are already approaching our mid-fiscal year, which means that staff is being to look to start the preliminary preparations of the FY 13-14 budget. As in the past we anticipate having a preliminary budget study session with the Council in February. We are also looking towards the March election and outcome of Measure A, the Transient Occupancy Tax Increase Measure. If approved by the voters, the additional revenue generated will play a role in next year's budget.

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**2. 5:30 pm – 15 minutes Receive staff summary of the recently State adopted Pension Reform measures and how they relate to San Dimas.**

Staff report on this item is attached.

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**3. 5:45 pm – 30 minutes Update on the Redevelopment Dissolution Process – Successor Agency activities and responsibilities – where we are, what is coming, and what has been and will be the issues.**

Staff report on this item is attached.

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**4. 6:15 pm – 30 minutes City's Utility Undergrounding requirements. Review and discussion of issues in the application of the requirements. Identification of alternatives and concepts the city could consider. Initial direction from the city council.**

Staff Report on this item is attached.

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**5. 6:45 pm – 15 minutes follow up discussion regarding Walker House rental process as they relate to the San Dimas Historical Society and Festival of Arts.**

At the November 13, 2013 City Council meeting the Council approved an interim facility use policy and fee schedule for the Walker House.

Discussion regarding this item included use of the Walker House by the two organizations currently housed in the facility, the Historical Society and the Festival of Arts, and whether they would be subjected to the fees for their use of the spaces covered in the new policies.

Council directed staff to discuss the scheduling needs of the two organizations and to return with a recommendation for facility use and the application of fees for those groups during the interim use period of January through June, 2013.

Staff contacted the Historical Society and the Festival of Arts and asked each for their requests for use of the Walker House first floor spaces through June. Both groups have meetings scheduled this week to discuss their schedules and to determine whether they have a request for use of the first floor.

Currently, use of the Walker House by the Historical Society and the Festival of Arts includes:

- Each enjoys use of the second floor for their offices, displays and meetings at no charge.
- The Historical Society has held an annual ice cream social in the patio area each June. City staff provides for the delivery and pick up of tables and chairs. There is no charge to the Historical Society for use of the facility or equipment for this event.
- The Festival of Arts hosted their annual member's dinner in the Walker House patio area this past summer. City staff provided for the delivery and pick up of tables and chairs. There was no charge to them for use of the facility or equipment for this event.
- Recently the Festival has requested, and the city has approved, use of the Parlor at the entry of the first floor during the evenings of the Second Story gallery. There is no charge to them for this use.

Staff suggests that these events be considered as regular, annual events and they continue to be supported going forward, to the level they have in the past.

As for the scheduling of the first floor, staff recommends that the Historical Society and the Festival of Arts each be offered an opportunity to host one event on the first floor of the Walker House at no charge, during the period of January through June, 2013.

Staff requests that these uses utilize the furniture designated for the house, and consider space availability for the storage of furniture that is not needed for the event. Staff will set up or store the furniture within the house, and the organizations shall be responsible for the set up and cleanup of any other items associated with the event. All set up plans shall be presented to and approved by staff. Staff further recommends that Festival use of the Parlor during the Second Story Gallery be permitted to continue as currently scheduled, until such time that there is a request for the room for a paid reservation.

Parks and Recreation Department staff will work with these groups to schedule and prepare for these events.

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<p><b>6. 7:00 pm – 30 minutes Zoning alternatives for affordable housing – housing element discussion.</b></p>
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Staff Report on this item is attached.

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**7. 7:30 pm – 20 minutes Update on major planning projects.**

This will be an oral report from staff.

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**8. 7:50 pm – 10 minutes Council comments – projects for staff to work on.**

Open discussion with staff as Council sees fit.

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**9. Oral Communications**

Receive comments.

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10. **Adjournment** – next meeting of the City Council Adjournment – next meeting of the City Council December 11, 2012 7:00 pm, City Hall.



# Agenda Item Staff Report

**TO:** Honorable Mayor and Members of City Council  
*For the Meeting of December 10, 2012*

**FROM:** Blaine Michaelis, City Manager

**INITIATED BY:** Ken Duran, Assistant City Manager

**SUBJECT:** Report on AB 340 – Pension Reform Act and Impacts on the City of San Dimas

## **BACKGROUND**

In September 2012 the State Legislature passed, and the Governor signed into law, AB 340, known as the Pension Reform Act. The legislation made significant changes to the PERS pension program for all State and local agencies including San Dimas. This report is to provide a summary of the legislation, in particular the direct impacts on the City of San Dimas and its employees.

## **DISCUSSION**

Staff has prepared the attached summary of impacts of the legislation. This summary has been reviewed with existing employees. At the retreat, staff will review the most significant changes to the City's PERS pension plan and the impacts on the City.

## **RECOMMENDATION**

There is no action required on the part of the City Council to implement the changes to the City's PERS pension program. The changes become effective January 1, 2013 as a matter of law. This is an information item only.

ITEM 2

# AB 340 PENSION REFORM ACT SUMMARY IMPACTS ON THE CITY OF SAN DIMAS

## **BACKGROUND**

- The topic of State and Local Government Pension Reform has been discussed by the Governor and State Legislature for some time. The concerns were to address perceived abuses within the system and the increasing employer costs.
- AB 340, the Pension Reform Act, was approved by the State Legislature and signed into law by the Governor in September 2012. The provisions go into effect January 1, 2013.
- Provisions of the Act apply to all State and local PERS agencies including the City of San Dimas.

## **IMPACT ON CURRENT SAN DIMAS EMPLOYEES**

### EXISTING SAN DIMAS PLAN

- All existing PERS plans are frozen, meaning there can be no enhancements or amendments to existing plans. The City of San Dimas existing plan remains in place but cannot be changed. Current employees stay enrolled in the existing plan. New employees are subject to a new plan.

### EMPLOYEE CONTRIBUTIONS

- There will be no changes to the employee contribution plan already in place.
  - Currently there are two PERS contribution costs: Employee cost of 7% (this percent is fixed) and Employer cost of 13.967% (this percent is recalculated annually by PERS). These are percentages of an employee's base salary. Per previous actions by the City and employees, San Dimas employees pay a portion of the Employee cost which will increase over the next two years.
  - As of July 2012 San Dimas employees pay 4% of the 7% employee cost.
  - July 2013 employees will pay 5.5% of the 7% employee cost.
  - July 2014 employees will pay the full 7% employee cost.
- AB 340 encourages employers to move towards having employees pay 50% of the total cost but does not require it. It leaves it up to the individual agency. There is no current plan to increase the employee contribution beyond what is currently in place.

## EMPLOYEES MOVING TO OTHER PERS AGENCIES

- If a current employee moves to another PERS Agency, they are considered a “legacy” employee and enrolled in that Agency’s plan that was in place as of December 31, 2012. In other words they are not considered a new employee. For example if a new employee is hired by San Dimas after January 1, 2012, and came from another PERS Agency they would be enrolled in our current 2% @ 55 plan.
- The exception to the above is that an employee that leaves a PERS Agency for 6 months or more and then goes to work for another PERS Agency is then considered a new employee and subject to the new formula.
- The exception to the exception is that a former employee who goes back to work for the same Agency, regardless of how long it has been is considered a “legacy “ employee and is enrolled into the old system.

## PURCHASE OF ADDITIONAL SERVICE CREDIT

- There is no longer an opportunity to purchase “air time”. The purchase of “air time” was the ability for an employee to purchase additional years of service.
- Purchase of military or prior service credit is still allowed.

## WORKING FOR A PERS AGENCY POST RETIREMENT

- The restrictions for working for any PERS Agency after retirement have been tightened over the past few years. This legislation reconfirms prior restrictions and constrains them even more.
- A retired employee must wait 180 days after retirement before they can work for a PERS Agency. The only exception is if it is determined by action of a City Council that the position is vitally critical to the organization.
- The pay for the new position must be no more than the rate of pay of the position being filed.
- The employee may only work for 960 hours total. Not per year, but total.
- This does not apply to work for a non-PERS public Agency or the private sector.

## **IMPACT ON NEW EMPLOYEES**

### NEW EMPLOYEE DEFINITION

- A new employee is an employee hired after January 1, 2013 who does not meet any of the “legacy” employee definitions.
- A new employee is also a “regular part-time” employee who reaches their 1,000 hours and becomes eligible for PERS benefits after January 1, 2013.

## NEW FORMULA

- All new employees, for State and all other local PERS Agencies will be under a new miscellaneous formula regardless of the individual Agency's existing formula.
- The new Miscellaneous Formula – 2% at age 62.
- New minimum retirement age is 52, instead of 50. Five year vesting requirement applies.
- Final earning calculation is based upon highest 3 year average of salary.
- There is a maximum cap on the amount of compensation that is used in the calculation of salary. Initially the cap is \$132,120 and will be adjusted by CPI annually. Which means, if an employee's salary is greater than that amount, their retirement calculation would only be based on \$132,120 and not on any earnings above that.
- The law defines pensionable salary as the normal monthly rate of base pay. There are a number of types of extra pay that are now excluded from considered pensionable salary. None of this impacts the way San Dimas currently calculates salary.

## EMPLOYEE CONTRIBUTIONS

- New employees are required to pay 50% of the "normal cost" of the plan. Whereas the existing plans have an employee contribution percentage and an employer contribution percentage the new plan will only have one cost, the "normal cost". This cost will be calculated by PERS. New employees will be required to pay at least 50% of this cost. PERS has not provided the City with this cost. They anticipate it to be in the 12% range which would mean that new employees would pay 50% of that amount. The new normal cost will most likely be lower than the cost of the existing plan because the new plan benefit is less.

## OTHER NEW EMPLOYEE RESTRICTIONS

- There are restrictions on the amount and types of supplemental retirement plans that can be added to the PERS plan. None of these impact San Dimas.
- Employees would forfeit a portion of their retirement benefits if they are convicted of a felony related to the performance of their official duties.
- There are a number of other changes and restrictions on new employee plans, none of which are that relevant to general employees.

## ACTIONS THAT NEED TO BE TAKEN BY THE CITY

- The City does not need to take any formal action to adopt the new plan for new employees since it is a matter of law effective January 1, 2013. The City will be amending its salary Resolution to make the changes, along with some other clarifications, so the new plan is made clear.
- Determine a method to describe the differing PERS benefit plans for prospective applicants.
- Set up payroll procedures to process the differing benefit plans



# Agenda Item Staff Report

**TO:** Honorable Mayor and Members of City Council  
*For the Meeting of December 10, 2012*

**FROM:** Blaine Michaelis, City Manager

**INITIATED BY:** Ken Duran, Assistant City Manager

**SUBJECT:** Update on the Redevelopment Agency Dissolution Process –  
Successor Agency Activities and Responsibilities

## **BACKGROUND**

The dissolution of the Redevelopment Agency became effective February 1, 2012. Though the Agency was officially dissolved on that date that was only the start of the dissolution process. The dissolution has been and continues to be a number of steps and processes. These steps and processes for the most part were outlined in ABx26 and subsequently amended or clarified with the adoption of AB 1424 in June. The dissolution process is extremely complex for any number of reasons including:

- We are dissolving an Agency that has been existence for 40 years which has a number of assets and liabilities.
- The State has unilaterally established a one size fits all dissolution process. The State's primary objective is to maximize the amount of money redistributed from Redevelopment Agencies to other agencies.
- Though the statutes set out dissolution guidelines, some are very specific, others are subject to interpretation.
- The timelines set up for steps and processes are very specific and in many cases very compressed.
- The Department of Finance has ultimate control of the process, while having the specific goal of maximizing revenues from agencies.
- There are many questions regarding the legality of some of the dissolution issues.

In spite of these and other complexities the City, as the Successor Agency, has been proceeding to follow the steps necessary for dissolving the Agency and addressing the allocation of its assets. The following is a summary and outline of some of the key steps and processes that the Agency has taken to date towards the dissolution effort. In addition we have identified some of the key steps and dates that lie ahead of us.

ITEM 3

## **The Parties**

Successor Agency – The City is the Successor Agency and responsible for conducting the dissolution process.

Oversight Board – The Oversight Board is required by statute as the Body responsible for overseeing the Successor Agency in their responsibilities of dissolving the Agency. The members of the Oversight Board are Chairman Curt Morris, Vice-Chairman Dr. David Hall, Shorty Feldbush, Ann Sparks, Brian Stiger, Larry Stevens and Bonnie Bowman. The Board's regular meeting schedule is the 2<sup>nd</sup> and 4<sup>th</sup> Thursday of the month. Since their first meeting on May 9<sup>th</sup> the Board has met 8 times. The Board must approve all actions of the Successor Agency

State Department of Finance (DOF) – DOF is responsible for overseeing the entire dissolution process. They have the authority to review and over-turn actions of the Oversight Board. Though there is an appeal process to DOF decisions, their ultimate decision is final.

Los Angeles County Auditor Controller (LACTA) – LACTA has some authority to review and over-turn Oversight Board Actions. LACTA also is responsible for the distribution of Agency assets.

## **SIGNIFICANT STEPS TO DATE**

Recognized Payment Obligation Schedules (ROPS) – A key step in the dissolution process is the preparation and approval of the ROPS. ROPS are prepared in 6 month increments. They are a schedule of enforceable financial obligations prepared by the Agency. Examples of these include bond payments, COSTCO payments per the DDA and administrative costs. The ROPS are reviewed and approved by the Oversight Board and sent to the LACTA and DOF. Either party may object to specific obligations. If there is an objection the Agency may appeal to DOF. Previously, the DOF objected to some items on the first two ROPS schedules and those items were disallowed. Currently, DOF has objected to some items on the ROPS III (payments for January – June 2013). The Agency has appealed the objections and is awaiting the appeal decision which is due December 15<sup>th</sup>. Staff is beginning to prepare the ROPS IV (payments for July – December 2013) which is due in March.

True-up Payment - One of the significant steps in AB 1484 was referred to as the "July True up Payment". AB 1484 attempted to clarify what the Department of Finance felt was confusion in the implementation dates and treatment of tax increment payments remitted to Redevelopment Agencies in the Fall of 2011. AB 1484 treated those payments as the payment to the Redevelopment Retirement Trust Fund and funds that should have used to fund the January –

June 2012 ROPS. Therefore, it concluded that funds over and above the amount necessary to fund the ROPS should be redistributed to the various taxing entities. Though this interpretation is clearly not what was anticipated by Agencies.

AB 1484 laid out a process for Agencies to make any excess payment to the County for redistribution. The County calculated that the Agency owed \$988,339.91. The Agency made that payment in July.

Housing Asset List – The Agency was required to prepare a list of all housing property assets that were transferred to the City's Housing Authority as the successor agency for housing obligations. The Asset List was submitted in July. The DOF rejected the 4 Grove Station units as an asset, presumably because of their misunderstanding of the timing of the asset acquisition. The Agency has submitted an appeal of that decision but has yet to have an appeal hearing.

LACTA Initiated Close-out Audit – LACTA was required to hire an outside audit firm to conduct a "close-out" audit of the former Agency for the period from July 2011 – January 2102. The County concluded and submitted the audit to DOF in October. The audit made findings to disallow some enforceable obligations. The Agency contested those findings.

Low-Moderate Income Housing Funds (LMIHF) Audit – The Agency was required to retain an independent audit firm to audit the retained cash balance of the LMIHF. The purpose was to identify the cash balance as of February 1, 2012 and after verifying the outstanding enforceable obligations and identify the excess cash that needs to be redistributed to other taxing-entities. The audit verified that the cash assets were \$7,121,959. After confirming the enforceable obligations of primarily the future Grove Station and Bonita Canyon Gateway projects there is \$366,949 that needs to be redistributed to the taxing entities. The Oversight Board approved the audit. DOF disallowed the Grove Station future obligation. The Agency has appealed that decision and is awaiting the appeal determination.

Non-LMIHF Agency Assets Audit – The Agency was also required, in a similar fashion to the LMIHF audit, to conduct an audit of other Agency cash assets. This audit has just been completed and will be presented to the Oversight Board at their December 13<sup>th</sup> meeting. The result of the audit is that the Agency actually had a negative cash balance as of February 1 and therefore there are no cash assets that need to be redistributed to other taxing entities.

## **FUTURE KEY STEPS AND DATES**

December 15, 2012 – DOF final decision on the ROPS III appeal and LMIHF appeal. Within 5 days of the decision the Agency needs to pay the LMIHF balance to the County.

January 15, 2013 – The Oversight Board approved Non-LMIHF audit must be submitted to DOF.

March 3, 2013 – ROPS IV for the period of July – December 2013 is due to the DOF.

April 2013 – DOF completes review and determination of Non-LMIHF assets audit and payments are due to the County.

April 2013 – DOF to determine Finding of Completion of Agency. If an Agency has made all of the necessary payments, LMIHF, Non-LMIHF assets and True-up, they will be issued a Finding of Completion. A Finding of Completion allows an Agency to afford itself, with Oversight Board approval, several "safe harbor" provisions. The most pertinent provisions for us include the potential partial repayment of City loans and the ability to prepare a long range property asset management plan.

April 2013 – Begin to prepare a Long Range Property Management Plan (LRPMP). The Agency would be allowed to prepare a plan for the retention and disposition of Agency owned property. At the retreat Staff will present more information on what would included in an LRPMP.

Attachment: AB 1484 – Key Dates



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www.cacities.org

### AB 1484: Important Dates

- July 9: County auditor-controller notifies successor agency of amount of funds owing taxing entities based upon December 2011 property tax payment<sup>1</sup>
- July 12: Successor agency must make payment to auditor-controller for deposit into Redevelopment Property Tax Trust Fund and distribution to taxing entities.<sup>2</sup>
- July 16: Auditor-controller distributes money received from successor agencies to taxing entities. Monies received after July 12 date distributed within 5 days of receipt.<sup>3</sup>
- July 18: **City sales tax payment suspended if successor agency doesn't make July 12 payment.**<sup>4</sup>
- August 1: Successor housing entity must submit to DOF a list of housing assets that contains explanation of how assets meet criteria set forth in the law. DOF will prescribe format for list. DOF may object to any of the assets within 30 days. If after meet and confer, DOF continues to object, asset must be returned to the successor agency.<sup>5</sup>
- August 10: Successor housing entity notifies successor agency of any designations of use or commitments of funds that successor housing entity authorizes successor agency to retain.<sup>6</sup>
- August 15 +/-: Oversight board meets to consider ROPS for January 1, 2013 through June 30, 2013 which must be submitted to DOF by September 1.
- September 1: ROPS for January 1, 2013 through June 30, 2013 must be submitted electronically to DOF after oversight board approval.<sup>7</sup> DOF makes determinations within 45 days. Within 5 days of determination, successor agency may request additional review and meet and confer.

<sup>1</sup> Section 34183.5(b)(2)(A). Note: The statute, that may be drafted in error, states that if June 1 property tax payment has not been made to successor agencies, the amount owing to taxing entities will be deducted from that same June 1 payment (34183.5(b)(1)).

<sup>2</sup> Section 34183.5(b)(2)(A).

<sup>3</sup> Section 34183.5(b)(2)(A).

<sup>4</sup> Section 34183.5(b)(2)(A)

<sup>5</sup> Section 34176(a)(2). Definition of "housing asset" found at section 34176(e).

<sup>6</sup> Section 34179.6(c)

<sup>7</sup> Section 34177(m). Future ROPS must be submitted to DOF 90 days prior to property tax distribution. City subject to civil penalty of \$10,000 per day for successor agency's failure to timely submit ROPS (Section 34177(m)(2)).

- October 1: Auditor-controller may provide notice to successor agency of any objections to items on January – June 2013 ROPS.<sup>8</sup>
- October 1: Successor agency submits to oversight board, county auditor-controller, State Controller, and DOF results of the review of the LMIHF conducted by the licensed accountant agency must retain.<sup>9</sup> Note: licensed accountant must be approved by the county auditor-controller.
- October 1: County auditor-controller completes agreed-upon procedures audit of each redevelopment agency.<sup>10</sup> Auditor-controller provides estimate of property tax payments to successor agency for upcoming six-month period.<sup>11</sup>
- October 15: Oversight Board must review, approve, and transmit LMIHF audit to DOF, auditor-controller. Note that oversight board must hold a public session to consider audit at least five business days prior to the meeting of oversight board in which LMIHF audit is considered for approval.<sup>12</sup>
- November 9: Last day for DOF to complete review of LMIHF audit and reports findings, determinations, and decision to overturn oversight board decision to allow retention of successor agency assets.<sup>13</sup>

W/in 5 days of receipt of DOF

audit findings: Successor agency may request meet and confer to resolve disputes with DOF findings on LMIHF audit.<sup>14</sup> DOF must confirm or modify its determination and decisions within 30 days.

W/in 5 days of receipt of DOF final audit

determination: Successor agency to transfer LMIHF funds to auditor-controller.<sup>15</sup> **City sales tax/property tax may be offset for unfunded amounts.**

December 1: Successor agency may report to auditor-controller that total amount of available revenues will be insufficient to fund enforceable obligations.<sup>16</sup>

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<sup>8</sup> Section 34182.5.

<sup>9</sup> Section 34179.6(a). The requirement to retain a licensed accountant is found in section 34179.5. The audit provided by the county auditor-controller can be substituted for an audit by a licensed accountant if it contains the information required by Section 34179.5.

<sup>10</sup> Section 34182(a)(1).

<sup>11</sup> Section 34182(c)(3)

<sup>12</sup> Section 34179.6(c) and (b)

<sup>13</sup> Section 34179.6(d)

<sup>14</sup> Section 34179.6(e)

<sup>15</sup> Section 34179.6(f)

<sup>16</sup> Section 34183(b)

December 15: Successor agency submits to oversight board, county auditor-controller, State Controller, and DOF results of the review of all other fund and account balances by licensed accountant.<sup>17</sup>

### 2013

- January 2: Auditor-controller makes distributions of property tax for January – June 2013 ROPS.<sup>18</sup>
- January 15: Oversight board must review, approve, and transmit other funds audit to DOF, auditor-controller.<sup>19</sup>
- March 3: Successor agency submits ROPS for July 1, 2013 through December 31, 2013 to DOF after oversight board approval.<sup>20</sup>
- April 1: County auditor-controller provides estimate of property tax payments to successor agency for upcoming six-month period.<sup>21</sup>
- April 1: DOF completes review of other funds audit and reports findings, determinations, and decision to overturn oversight board decision to allow retention of successor agency assets.<sup>22</sup>
- April 6 +/-: No later than 5 days after receiving DOF determination on other funds audit, successor agency may request meet and confer to resolve disputes with DOF findings. DOF must confirm or modify its determination and decisions within 30 days.
- April 10: +/- Successor agency to transfer other "cash and assets" audit payment to auditor-controller if meet and confer process complete.<sup>23</sup> **City sales tax/property tax may be offset for unfunded amounts.**
- May 1: Successor agency reports to auditor-controller if total amount of available revenues will be insufficient to fund enforceable obligations.<sup>24</sup>

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<sup>17</sup> Section 34179.6(a).

<sup>18</sup> Section 34183(b).

<sup>19</sup> Section 34179.6(a).

<sup>20</sup> Section 34177(m).

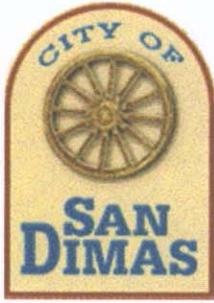
<sup>21</sup> Section 34182(c)(3)

<sup>22</sup> Section 34179.6(a)

<sup>23</sup> Section 34179.6(f). The statute does not allow sufficient time between completion of DOF review on April 1 and required payment on April 10.

<sup>24</sup> Section 34183(b).

June 28, 2012



# MEMORANDUM

**DATE:** December 10, 2012

**TO:** Mayor and City Council

**FROM:** Community Development Department 

**SUBJECT:** Update on Review of City requirements Applicable to Undergrounding of Utilities

## What is Undergrounding?

Utility undergrounding is the conversion of existing overhead electric and communication facilities to below ground.

## Why do we Underground?

- **Safety** – Overhead utilities can present a substantial danger in earthquake, fires, and floods, and may cause fires from arcing or downed lines. Public safety responders (police, fire, ambulance) cannot cross such lines to provide emergency assistance.
- **Service** – Overhead utilities are more vulnerable to damage and service interruption from natural hazards common to San Dimas (earthquake, fires, wind and floods).
- **Maintenance** – Utility lines make it difficult and more expensive to maintain urban forest potentially conflicting with our goals as a Tree City USA.
- **Appearance** – Overhead utilities are unsightly.

## Current City Policies & Standards

<p>Current General Plan Policy</p> <ul style="list-style-type: none"> <li>• Goals Statement L-9: "Enhance a unified and a high quality visual image for the city."</li> <li>• Objective 9.1: "Preserve the visual identity and character of existing neighborhoods."</li> <li>• Policy 9.1.1: "Underground utilities to improve the visual environment."</li> </ul> <p><i>San Dimas General Plan Land Use Element Pg. II-46</i></p>	<p>Current DPRB Ordinance</p> <ul style="list-style-type: none"> <li>• "All utility facilities shall be underground."</li> </ul> <p><i>San Dimas Municipal Code §18.12.060.A.17</i></p> <p>NOTE: Projects exempt from DPRB Review such as minor additions, accessory structures, etc. are exempt unless the electrical service is upgraded or replaced.</p>	<p>Current Subdivision Ordinance</p> <ul style="list-style-type: none"> <li>• "Utility lines, including but not limited to electric, ommunications, street lighting, and cable television, shall be required to be placed underground."</li> </ul> <p><i>San Dimas Municipal Code §17.32.130</i></p> <p>NOTE: Minor exemptions exist for certain support and appurtenant facilities and a Planning Commission waiver is available for topography or soil or reasons of impracticality.</p>
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MEM 4

## Applicable State Laws and/or Rules

- Government Code §66473.6 states “Whenever a city or county imposes as a condition to its approval of a tentative map or a parcel map a requirement that necessitates...undergrounding... existing facilities of a telephone corporation or cable TV system, the developer or subdivider shall reimburse the telephone corporation or cable TV system for all costs for the...undergrounding...”
- In 1967, the Public Utilities Commission required new electric service connections to be placed underground and funded a gradual program to replace existing overhead distribution lines with new underground service.
- In 1999, AB 1149 required the PUC to study ways to amend, revise, and improve the rules for the conversion of existing overhead electric and communications lines to underground service.
- PUC Rule 20- The California Public Utilities Commission provides three rules — 20A, 20B, and 20C — that govern different types of areas to be undergrounded. The key difference among the three rules is the party responsible for paying the utility undergrounding costs.
  - *Rule 20A: under the city-administered program, SCE and other affected utilities are responsible for a majority of the cost.*
  - *Rule 20B: property owners or developers pay most of the cost, excluding the cost of removing overhead poles, lines, and facilities.*
  - *Rule 20C: property owners pay the entire cost, less a credit for the salvage value of removed facilities.*

## Current San Dimas Practice

- “All utility facilities” means new existing overhead utility lines, including electrical power, and telecommunications (i.e., telephone, internet, fiber optic, cable TV)
- “Underground” means place below ground to the first pole off-site, except for appurtenances and associated equipment, such as transformers and pedestals
- Major facilities larger than 66 KV in size are typically exempt from undergrounding and the City has typically used its Rule 20 funds, sometimes in conjunction with development projects, for these larger, more costly facilities. Other telecommunications facilities are however typically not considered exempt in these circumstances.

## Summary of Survey Results from Nearby Cities

Glendora	Undergrounding required. No procedure for exceptions or waivers.
West Covina	Undergrounding required. Planning Commission may grant modification if undue hardship due to topographical, soils or other conditions.
Pomona	Undergrounding required for all building projects where estimated cost of construction exceeds \$3000. Building Official may grant exemptions (1) unreasonable for temporary development; (2) all adjacent properties are served by overhead facilities and compliance is an undue financial hardship rendering development economically infeasible and owner agrees to not protest a future undergrounding district; and, (3) development is an R-1 lot surrounded by developed property served only by aboveground utilities. Decision is NOT subject to appeal.
La Verne	Undergrounding required. No procedures for exceptions or waivers.

La Canada Flintridge	Undergrounding required for new buildings, conversion from residential to nonresidential, and remodels/additions to commercial buildings in any 12 month period where value of improvements exceeds 25% of the market value of the building. Exceptions for temporary lines and appurtenances. Planning Commission may grant modifications to waive, modify or delay for practical difficulties or unreasonable hardships unique to a particular property. If delayed adequate performance guarantees are required.
Rancho Cucamonga	Undergrounding required for lines less than 66 KV. If the Planning Commission determines undergrounding is impractical an in lieu fee for the full amount is required. Exemptions are allowed for small projects such as additions less than 25% or 5000 sq. ft., tenant improvements, individual single family residences and subdivisions of 4 or less lots.
Claremont	Undergrounding required for all new buildings and buildings adding 25% or more floor area. When undergrounding is deemed impractical by the Planning Commission an in-lieu fee is required. Examples include length of line less than 300 feet, severe disruption to existing improvements, easement conflicts, and no significant visual impact.

## Discussion

Every City requires undergrounding of existing overhead utilities in conjunction with new development and substantial alterations to existing development. Many have specified certain smaller projects as exempt from such requirements and some provide procedure to waive, modify or delay undergrounding usually where it is impractical for a smaller project. In the latter instance some also provide for an in-lieu fee where a waiver, modification or delayed is allowed. However, the wide variety of approaches can be administered or interpreted differently as well.

In addition there has been some discussion about the benefits of requiring some but not all of the existing overhead lines to be placed underground with a project. With the exception of larger distribution lines, generally viewed as 66 KV or greater, Staff believes there is some visual benefit in most cases to warrant placement underground. However, if a waiver/ modification, or delay procedure is developed that benefit can be evaluated on a case-by-case basis against a set of standards.

## Alternatives

1. No Change (NOTE: Consider adopting a Resolution to provide better clarification of current practices.)
2. Modify ordinance to exempt certain types of projects from undergrounding requirements.
3. Modify ordinance to exempt certain types of projects and develop a procedure to waive or modify undergrounding requirements for specified hardships.
4. Modify ordinance to exempt certain types of projects, develop a procedure to waive or modify requirements for specified hardships and develop an in-lieu fee where such hardships are determined to exist.

## Recommendation

If any changes are made Staff recommends Alternative 4 suggesting that the Claremont and/or Rancho Cucamonga approaches are most appropriate.

## ATTACHMENT A – DETAILED SURVEY INFORMATION

<b>Glendora</b>
Per Section 21.03.010, All wires, conductors, cables, raceways and conduits for electrical, telephone, CATV and similar services that provide direct service to any property being developed shall, with the boundary lines of such property, be installed underground.
<b>West Covina</b>
Per Section 23-272, the city council requires all electrical, telephone, telegraph, cable television and similar service lines in the City be placed underground for the following reasons: (a) in the event wind, rain or electrical storms, overhead lines increase the probability of fires and accidental electrocution. Also the incidence of service interruptions increases thereby limiting citizen communication with public safety providers. (b) Overhead lines create additional hazards to the general public, firefighters, tree maintenance workers and construction personnel using cranes, booms and other construction equipment. (c) In areas adjacent to existing or committed underground development there are hazards to persons in the flying of kites for they might not have knowledge of overhead lines nearby. Therefore, City Council requires it is in the public interest for all service lines to be placed underground.
Per Section 23-273.a., "any new on-site service lines which provide direct service to the improvement and/or property being developed shall be placed underground. The owner/developer/builder requiring such new lines shall be responsible for making arrangements with the service provider and/or city for such underground installation and for the payment of all related costs".
Per Section 23-274, "Modification of requirements. If the enforcement of the provisions of the proceeding section would result in undue hardship to any person due to topographical, soil or other conditions, an application by said person may be made for a modification of the provisions of that section in the following matter: (1) submit application; (2) application to be forwarded to the city engineer; (3) within 30 days, the planning commission shall conduct a hearing on the application; (4) the decision of the planning commission could be appealed to the city council.
<b>Pomona</b>
Based on Section 62-31.b. and 62-31.c., "(b) Required. Notwithstanding any other section of this Code, the undergrounding of utility facilities shall be required in all of the following circumstances, except as expressly provided in subsection c in this section: (1) Construction or reconstruction based on certain cost. All utilities to serve any property upon which it is proposed to construct any building or structure or combination thereof, for which a building permit is required, where the estimated cost of such construction is \$3,000.00 or more shall be underground. (2) Relocations. All structures to be relocated into or within the city upon any parcel of land shall be required to install underground utilities where the usable floor area of such building or structure to be relocated is a total of 850 square feet or more. (3) Responsibility for compliance. The owner and person who occupies any property to which this section applies shall be responsible for compliance with this section, not including, but not limited to, obtaining the installation of required facilities by the appropriate utility companies. (c) Exemption. The building official shall grant an exemption from this section if he/she finds: (1) The temporary nature of the development makes such installations unreasonable. (2) All of the following facts are present: (a) all adjacent properties are served by overhead utility facilities: (b) compliance with this section constitutes an undue financial hardship which renders the proposed

development economically unfeasible; and the owner of the property involved agrees, in writing, to join and participate without protest in an undergrounding utility district should one be initiated pursuant to applicable law. Such agreement shall be recorded and shall bind all assignees and successors in interest to the then owner of the property. (3) The development comprises a single R-1 lot surrounded by improved developed property, all of which have aboveground utilities. The decision of the building official is final.

### **La Verne**

#### 18.10.140 Required improvements.

A. Any person constructing any structure, building, dwelling, public or semi-public parking lot, or developing any area in the city shall also construct and install, at their own cost, curbs, gutters, sidewalks, paving, drainage facilities, sanitary sewers, street signs, street lights, street trees, underground electrical transmission lines, water mains, gas lines, rubberized railroad crossings, improved medians, off-site improvements as necessary, and appurtenances in accordance with the standards and specifications of the city and in accordance with the La Verne general plan of streets and highways of the city.

B. Such improvements shall be constructed or installed along all public streets and alley frontage adjoining the land upon which the structure, building, dwelling, public or semi-public parking lot is to be constructed unless adequate curbs, gutters, paving, sidewalk, drainage facilities, sanitary sewers, street signs, street lights, street trees, medians, underground electrical transmission lines, rubberized rail crossings, improved medians, water mains, and gas lines, already exist along the street and alley frontage. Where additional right-of-way or easements for public purposes are required, the right-of-way or easements shall be dedicated without cost to the city. In the case of gas lines, water mains, electrical transmission lines, drainage facilities, and sanitary sewers, the facilities shall be constructed so as to connect to the nearest accessible existing facility.

C. When needed, the public works director shall require construction of off-site improvements associated with the project in question if it can reasonably be shown that the project benefits from the improvements, and that the applicants are bearing a fair proportion of the financial burden of such improvements.

### **La Canada Flintridge**

#### Chapter 7.32 UNDERGROUNDING OF UTILITIES

7.32.010 Undergrounding of utilities required. The director of community development shall, as a condition precedent to the issuance of any building, electrical or plumbing permit, require all utility services located within exterior boundary lines of any lot or parcel of property to be installed underground if:

- A. The property is to be developed with a new or relocated main building;
- B. A residential building or use is converted to any nonresidential use or purpose;
- C. The remodeling, alteration or addition to an existing commercial building involves an expense totalling within any twelve (12) month period a sum equal to or greater than twenty-five (25) percent of the market value of such commercial building prior to such work being performed. The director of community development may refer to available records of the county assessor's office to assist him or her in ascertaining the market value of the building.

For purpose of this chapter, "main building" means a building in which is conducted the

principal use of the lot or building site on which it is located.

For purposes of this chapter, "commercial building" means a building in which is conducted any use which is nonresidential, excluding uses accessory to residential use, and home occupational uses.

7.32.020 Exceptions. The following exceptions shall apply:

A. Utility service poles may be placed in the area within six feet of the rear lot line of the property to be developed, for the sole purpose of terminating underground facilities.

B. Temporary utilities along with the necessary service poles, wires and cables may be permitted for the period during which authorized construction is continuing for which valid burning permits have been issued or for temporary uses which comply with requirements of the zoning ordinance, building code and other applicable regulations.

C. Appurtenances and associated equipment, including, but not limited to, surface-mounted transformers, pedestal-mounted terminal boxes and meter cabinets, and concealed ducts within a structure as part of an underground system, may be placed above ground. All equipment placed above ground shall be considered accessory equipment and shall be exempt from yard setback requirements.

7.32.030 Waiver, modification or delay. It is the intention that all the utility facilities of developments described in this chapter be placed underground. If it is determined that practical difficulties or unreasonable hardships inconsistent with the purpose of this section and unique to a particular parcel of property would result from the literal application of this chapter, the planning commission may waive, modify or delay the application of any undergrounding requirement imposed pursuant to this chapter upon written application of any affected property owner. The planning commission shall notify the applicant of its decision in writing by mail. If the planning commission determines to delay the installation of the required underground utilities, it may require a recorded agreement guaranteeing the future performance of the work together with adequate performance security enforceable by the city in the form of a cash deposit, bond, letter of credit or other instrument satisfactory to the city attorney.

7.32.040 Right of appeal. Any person dissatisfied by any decision of the planning commission may file an appeal with the city council within fifteen (15) days after the decision of the planning commission. The city council may overrule, modify or affirm the decision of the planning commission.

### **Rancho Cucamonga**

Based on Resolution No. 87-96, all developments shall be responsible for undergrounding all existing overhead utility lines including removal of the related supporting poles adjacent to and within the limits of development. In the circumstance where the Planning Commission decides that undergrounding is impractical, then the developer shall pay an in-lieu fee for the full amount. The following types of projects shall be exempt for this policy; (a) the addition of functional equipment to existing developments, such as: loading docks, silos, satellite dishes, antennas, water tanks, air conditioners, cooling towers, etc. (b) building additions or new free standing building of less than 25% of the floor area of the existing building or 5,000 sq. ft., which ever is less. (c) exterior upgrading or repair of existing developments. (d) interior tenant improvements. (e) the construction of a single family residence. (f) existing overhead utility lines located in trails, alleys, and utility easements with a heavy concentration of services to adjacent developments. (g) residential subdivisions of four or fewer single family residences.

In-Lieu Fees are:

Electric - \$292.00 per lineal foot

Telephone - \$55.00 per lineal foot

Cable TV - \$27.00 per lineal foot

### **Claremont**

Persons constructing any building or adding at least twenty-five percent (25%) to an existing building's gross floor area, shall place underground all on-site utility lines and all utility lines between (i.e., connected to and serving) the building and the first point of connection to existing utility lines having the capacity to serve the project. The Planning Commission may find that placing utility lines underground is impractical and that fees should be paid instead, when any of the following conditions, or similar conditions, are found to exist: (1) The length of utility lines to be placed underground will be less than 300 feet and said utility lines have not been placed underground on any property abutting the applicant's property. (2) The existing on-site utility lines to be placed underground serve property held under separate ownership. (3) Utility lines cannot be placed underground without severely disrupting existing improvements. (4) The physical or legal character of existing utility easements will not allow utility lines to be placed underground and the affected adjoining property owner will not consent to modification of such easements or other technical or engineering difficulties preclude such action. (5) When upgrading an existing service would not impose a significant visual impact on the area immediately surrounding the property or on the City.

When the Planning Commission determines that undergrounding is impractical, an in-lieu fee shall be paid. An in-lieu fee shall be based on the number and type of utility lines and shall be paid prior to the recordation of a final tract or parcel map for the tract, or the issuance of any building permit for which they are required. Payment shall be made according to the cost schedule as set forth in separate ordinance and as amended from time to time.



## MEMORANDUM

**DATE:** December 10, 2012  
**TO:** Mayor and City Council  
**FROM:** Community Development Department  
**SUBJECT:** Preliminary Consideration of Issues Associated with Upcoming Housing Element

Changes in the Housing Element cycle were included in SB 375 to align the RHNA and RTP (Regional Transportation Plan) processes. It is critical to secure timely State HCD (Housing & Community Development) certification by October 2014 to ensure the opportunity to be eligible for an eight year review (versus a four year review). For this cycle SCAG has assigned the following RHNA projections:

Income Category	Households
<i>Very Low</i>	121
<i>Low</i>	72
<i>Moderate</i>	77
<i>Above Moderate</i>	193
<b>TOTAL</b>	463

Staff was not successful in appealing these projections.

We are hopeful that we will be able to use the new "stream-lined" process outlined in recent memoranda and workshops by HCD. The tentative schedule is as follows:

1. Kick-off December 2012
2. Public Outreach (Including Joint Planning Commission/ City Council Study Session) January – March 2013
3. Screen Check March 2013
4. Public & HCD Review (60 days) April-May 2013
5. CEQA April-June 2013
6. Public Hearings/HCD Submittal July-September 2013

Karen Warner Associates is now under contract and the Staff kick-off meeting is set for December 17. In preparation for that meetings there are a number of items that Staff would like preliminary discussion on to facilitate moving forward in an expeditious manner.

To complete work committed to in the 2008-14 Housing Element Staff has the following matters coming forward to the Planning Commission and City Council between now and February:

ITEM 6

1. MCTA to establish procedures and standards for implementing State Density Bonus Law (GC Section 65915) – Commission public hearing scheduled for December 19 & City Council hearing in January 2013.
2. MCTA to establish MF-30 Zone to set forth standards and procedures for projects under the “default” density regulations - Commission public hearing scheduled for December 19 & City Council hearing in January 2013.
3. Zone Change adding Affordable Housing Overlay to Bonita School District Offices property (San Dimas Avenue/Allen) and the block bounded by San Dimas Avenue, Arrow Highway, Walnut & the railroad tracks to implement “default” zoning commitments - Commission public hearing scheduled for January 9 & City Council hearing in late January or early February 2013.

The previous Housing Element included 24 program components with we have at least partially accomplished. Moving forward housing activities will be more difficult because of the severe diminution of resources associated with the dissolution of the Redevelopment Agency. As a result many of these programs cannot be sustained in the 2014-21 Housing Element. In addition, there has been some discussion about not participating, because of Staffing changes, in CDBG and that would further diminish resources. This leaves few tools to develop any programs other than zoning and reliance on outside funding sources.

Housing Program	2008-2014 Objective	Funding Source	Responsible Agency
<b>1. Housing Code Enforcement and Abatement</b>	Conduct 50 inspections annually. Provide referrals to Single-Family Rehabilitation (Program 3).	General Revenue	Building and Safety; Code Enforcement
<b>2. Neighborhood Beautification</b>	Conduct improvement activities within targeted areas.	RDA Set-Aside	Redevelopment Agency: Housing
<b>3. Single-Family Rehabilitation</b>	Assist 70 households annually, or 420 over the 2008-2014 period. Evaluate extending to moderate income.	CDBG; RDA Set-Aside	Redevelopment Agency: Housing
<b>4. Single-Family Owner-Occupied Substantial Rehabilitation</b>	Assist 20 households between 2008 and 2010.	CalHome	Redevelopment Agency: Housing
<b>5. Lead-Based Paint Hazard Assessment and Abatement</b>	Assist 10 homes annually or 60 homes over the 2008-2014 period. Continue to market program in conjunction with the Single-Family Rehab Program (Program 3).	CDBG	Redevelopment Agency: Housing
<b>6. Mobile Home Park Preservation and Affordability</b>	Renew the Mobile Home Accord; continue affordability of Charter Oaks Mobile Home Park; and continue new space rent credit program for Charter Oaks at least 5 lower income residents annually.	Department Budget	Redevelopment Agency: Housing
<b>7. Preservation of Assisted Rental Housing</b>	Commit funding to preserve Villa San Dimas. Initiate discussions with Voorhis Village.	RDA Set-Aside; Section 8	Redevelopment Agency: Housing
<b>8. Section 8 Rental Assistance</b>	Continue participation and coordination with HACoLA; encourage landlords to register units; advertise program to residents.	HUD Section 8	HACoLA
<b>9. Rezoning to Accommodate</b>	Rezone at least 7.4 acres at 30 units/acre to accommodate 223 units;	Department Budget	Planning Department

<b>Higher Density Residential and Mixed-Use</b>	establish appropriate standards for the new Mixed-Use and Multiple-Family (30) zones; rezone to provide at least 38 units at a min of 16 units per acre; and review the existing Noise Ordinance to ensure consistency.		
<b>10. Residential and Mixed-Use Sites Inventory</b>	Maintain current inventory of sites, and provide to developers along with information on incentives (Program 12).	Department Budget	Planning Department
<b>11. Second Units</b>	Continue to implement City's ordinance to accommodate second units.	Department Budget	Planning Department
<b>12. Facilitate Infill and Mixed-Use Development</b>	Assist in development of 110 new affordable units. Market in conjunction with Housing Site Inventory (Program 10).	RDA Set-Aside	Redevelopment Agency; Planning Department
<b>13. Inclusionary Housing</b>	Evaluate economic impacts of implementing a 20% inclusionary requirement for multiple-family residential development in redevelopment project areas.	Department Budget	Redevelopment Agency; Planning Department
<b>14. Homebuyer Assistance</b>	Develop homebuyer program for 10 Grove Station units; expand the program to purchasers of existing housing.	RDA Set-Aside	Redevelopment Agency; Housing
<b>15. Green Building</b>	Adopt Citywide Green Building program. Require in Agency-assisted projects.	Department Budgets	Planning Department; Redevelopment Agency
<b>16. Reduce the Cost-Impact of the City's Development Permit Process</b>	Evaluate affordable projects to assess applicability of fee reduction, deferral or waiver, and expedited project review. Evaluate elimination of CUP requirement for affordable housing.	Department Budget	Planning Department
<b>17. Zoning Ordinance Revision</b>	Amend the Zoning Code to allow emergency shelters as a permitted use in the P/SP zones subject to reasonable development standards. Amend the Zoning Code to define and permit transitional housing and supportive housing in the MF zone.	Department Budget	Planning Department
<b>18. Revise Senior Housing Standards</b>	Amend the Zoning Code as necessary.	Department Budget	Planning Department
<b>19. Revise Multi-Family Development Standards</b>	Amend the Zoning Code as necessary	Department Budget	Planning Department
<b>20. Monitor Application of Design Review Process</b>	Review on a project-by-project basis	Department Budget	Planning Department; Redevelopment Agency
<b>21. Fair Housing</b>	Continue referrals to various fair housing agencies; provide fair housing materials to residents.	CDBG; RDA Set-Aside	Redevelopment Agency; Housing
<b>22. Senior Housing Alternatives, Resources,</b>	Serve 600 seniors annually, including 50 home sharing participants.	CDBG; RDA Set-Aside	Redevelopment Agency

<b>Education and Support (SHARES)</b>			
<b>23. Accessible Housing</b>	Continue implementation of reasonable accommodations ordinance; continue to review ordinances for constraints to accessible housing.	CDBG; RDA Set-Aside	Redevelopment Agency; Housing; Planning Department
<b>24. Homeless Assistance</b>	Continue participation in SGVCOG Homeless Study; and allocate funds to homeless service providers.	Department Budget; General Fund	Planning Department; Redevelopment Agency; Housing

Several of the programs warrant additional comments as follows:

- Program 7 involved committing approximately \$2.5 million of RDA monies to substantial rehabilitation of the Villas apartment project. These funds are no longer available. This change affects Program 9 since the substantial rehab would have resulted in a 40 unit credit (or 1.33 acres of rezoning at the “default” density). This obligation carries over to the 2014-2021 Housing Element.
- Program 9 is underway and will be completed shortly.

Staff has two primary concerns that warrant discussion.

The first is the possible elimination of CDBG which would result in not being able to commit to programs such as 2, 3, 5, 21, 22 and 23. Next year it is expected that the City’s CDBG funds will be approximately \$200,000 (\$140,000 in new funds and \$60,000 in carry-over funds). We have determined that it is no longer possible to sell the CBDG funds so, if we dropped CDBG, the funds would be returned to the County for distribution elsewhere. Even though housing Staff has been eliminated we are evaluating a less staff intensive program consisting of primarily of recreation program scholarships, housing rehab grants and housing beautification.

The second area of concern is the “default” density rezonings. In the 2014-21 cycle we will be obligated to commit to rezoning for the low/very low component of the RHNA at 30 units per acre – essentially 6.5 acres. In addition we will have to make up the carry-over of 1.33 acres because of the Villas project. This totals 7.8 acres that must be rezoned within three years (a new requirement from SB 375). We will need to update our site inventory but it is difficult to identify sites suitable for the 30 unit per acre density. Typically these sites would have to be a minimum of one acre in size and development can be expected to be three stories with podium or underground parking. At the meeting Staff will present info on possible sites to consider. Preliminarily our ideas include the equestrian facility on Foothill (which is for sale); the equestrian facility and nursery on San Dimas Avenue (also for sale or available), the property behind the Red Roof Inn and possibly the Red Roof Inn site; SP 24 properties on the north side of Gladstone; underdeveloped residential on Cataract and Allen; Via Verde property behind the Fire Station and day care; RDA property at Bonita and Cataract; and, LA Signal/Flasher & Barricade in SP22. There may be a couple more as I prepare for the retreat.

Any discussion on any of these matters should be considered as preliminary.