

Minutes
Clayton Planning Commission Meeting
Tuesday, April 14, 2015

1. CALL TO ORDER, ROLL CALL, PLEDGE TO THE FLAG

Chair Richardson called the meeting to order at 7:00 p.m. at First Floor Conference Room, City Hall, 6000 Heritage Trail, Clayton, California.

Present: Chair Dan Richardson
Vice Chair David Bruzzone
Commissioner Peter Hellmann
Commissioner Sandra Johnson
Commissioner Gregg Manning

Absent: None

Staff: Community Development Director Charlie Mullen
Assistant Planner Milan Sikela, Jr.

2. ADMINISTRATIVE

2.a. Review of agenda items.

2.b. Declaration of Conflict of Interest.

None.

2.c. Commissioner Manning to report at the City Council meeting of April 21, 2015.

3. PUBLIC COMMENT

None.

4. MINUTES

4.a. Approval of the minutes for the March 10, 2015 regular meeting.

Commissioner Johnson moved and Vice Chair Bruzzone seconded a motion to approve the minutes, as amended. The motion passed 4-1 (Commissioner Johnson abstained as she did not attend the March 10, 2015 Planning Commission meeting).

5. PUBLIC HEARINGS

None.

6. OLD BUSINESS

None.

7. NEW BUSINESS

- 7.a. **CDD-01-15, City of Clayton.** Consider the State of California Property Assessed Clean Energy (PACE) Programs for the City of Clayton, consisting of the CaliforniaFirst, Figtree, and HERO programs.

Community Development Director Mullen presented the staff report.

A representative of CaliforniaFirst, Jeremy Hutman, was available for questions and clarification.

Commissioner Manning asked so the City is not supplying the capital for these programs? Director Mullen indicated that some programs have bond financing and some have private financing.

Peter Hellmann had the following questions:

- If these programs were approved by the City Council, when would they become available? Director Mullen indicated that the programs would be available within a few months and a notice in local newspapers would be provided.
- What would be the approval mechanism for additional programs? Director Mullen indicated that each program would have to be approved by the City Council.
- Did the City obtain any feedback from other jurisdictions as to why these jurisdictions did or did not go with all three programs? Director Mullen indicated that there could be a variety of factors involved in a jurisdiction's decision to go with a program, possibly a matter of outreach as to which program approached the jurisdiction.

Vice Chair Bruzzone inquired have any communities declined PACE because I see not all communities in Contra Costa County are listed? Director Mullen indicated that it could be that the communities simply have not made the decision rather than outright denying the program.

Chair Richardson inquired how do these programs work with contractors? Director Mullen indicated that each program has a list of licensed professional contractors.

Jeremy Hutman indicated the following:

- CaliforniaFirst is up and running in over 200 cities and 34 counties.
- As soon as a jurisdiction passes a resolution to join our program, the program will immediately be available.
- I believe Figtree has the same setup.

Commissioner Johnson inquired do PACE contractors have to be used or can any contractor be used? Mr. Hutman indicated that CaliforniaFirst screens and trains the contractors, using only upstanding contractors that are licensed, bonded, and insured. You can go online to calfirst.org to find contractors.

Chair Richardson had the following questions of Mr. Hutman:

- Who determines if the work done by the contractor is appropriate?
- Who represents the property owner and manages the risk to the property owner?
- How many projects do you currently have going?
- What kind of staff do you have?

Mr. Hutman indicated the following:

- CaliforniaFirst has additional screening and conducts site inspections to make sure the work is done correctly.
- We have lists of average costs for work done by contractors.
- Any project can be up to 15% of the property value.
- We have approximately 1,000 projects going across California.
- Regional managers oversee project construction, but if a property owner has an issue with a contractor, the property owner contacts us.
- CaliforniaFirst will initially agree on the scope of the project with the property owner and contractor and then the property owner signs financing documents for disclosure based on appraisal and value of home.
- Depending on the measure being constructed—HVAC, energy/water saving, or solar—we want the property owner to get at least three bids.

Director Mullen indicated that a lot of work is being done on aging homes. These improvements are not based on a cost/benefit ratio but, rather, an enjoyment ratio.

Commissioner Manning had the following questions and comment:

- Is the list of eligible measures the only measures to choose from? Mr. Hutman indicated that the list is only an example; CaliforniaFirst finances anything comparable. A property owner would have to be replacing something that is less efficient.
- It appears that HERO has done 95% of the measures. Mr. Hutman indicated that HERO has done the most because they launched in 2012 and were the first program.
- Can a property owner do more than one project at once? Mr. Hutman responded, yes, it is typical for a property owner to have multiple improvements done concurrently.

Commissioner Hellmann had the following questions and comments:

- Why did the City of Concord not choose CaliforniaFirst? Mr. Hutman replied that he was not sure but he thought that CaliforniaFirst was still talking with the City of Concord. The trend for jurisdictions seems to be that multiple programs are established within the same jurisdiction.
- How would a property owner find out about PACE? Mr. Hutman indicated that contractors usually inform property owners.
- How are appraisals done? Mr. Hutman responded that desktop appraisals are provided.
- What about taxes? Mr. Hutman replied that CaliforniaFirst does not get involved in the tax end of things.
- How do you handle defaults? Mr. Hutman indicated that if a property owner does not make property tax payments it usually means that they are not making their mortgage payments either.

- Do you use truth and lending? Mr. Hutman replied yes.
- Have there been any lawsuits? Mr. Hutman replied no.
- The closing costs of 6.5% seems high.
- A chart shows indebtedness is transferrable. The PACE assessment is recorded as a lien on the property.
- Where are you located and how many staff do you have? Mr. Hutman replied that we are located in Oakland and have over 100 staff members and growing.

Commissioner Johnson inquired would financing be provided through property taxes? Mr. Hutman replied that CaliforniaFirst does not get involved; we encourage property owners to consult with a tax professional.

Commissioner Manning inquired how does it appear on the tax bill? Mr. Hutman responded that we do not encourage people to write off the entire amount.

Vice Chair Bruzzone inquired for the pre-approved contractor's list, do you require a specialty license? Mr. Hutman indicated that CaliforniaFirst requires Contractor State Licensing Board exams to verify contractor legitimacy.

Director Mullen indicated that the City wants to be hands-off regarding these programs, other than a link on the City's website connecting to the other programs' websites.

Chair Richardson indicated the following:

- The Clayton General Plan Housing Element only asks that we review these programs, not adopt them.
- I agree with the City's desire to be hands-off regarding these programs.
- What troubles me is that there is the potential for the contractor to promote money savings, then get their foot in the door just to take advantage of the programs.
- I think the safeguards are not in place for these programs to receive a de facto endorsement.
- I see the programs managing their own risk, but there needs to be protections in place for the property owner to ensure that the work is done correctly.
- We need to give PACE the "sniff test" in order to avoid a situation where property owners get taken advantage of.

Commissioner Hellman indicated that he agreed with Chair Richardson's concerns but is intrigued by the programs from a consumer standpoint. I feel this is an opportunity to help people save water, energy, and money.

Vice Chair Bruzzone indicated that he understands the concerns over the City's endorsement of these programs; however, it is up to the property owners to educate themselves.

Commissioner Hellmann inquired if the City could re-visit these programs in two years to gauge their effectiveness? Director Mullen indicated that the City can rescind its approval if the programs are not found to be appropriate.

Commissioner Manning indicated the following:

- The fact that we can rescind our approval is good.
- We should give this program a chance.

The Commissioners discussed and acknowledged Chair Richardson's concerns and the majority of the Commission felt that the programs offered incentives to and benefits for the community.

Commissioner Manning moved and Commissioner Johnson seconded a motion to recommend City Council approval of the City's participation in the PACE programs. The motion passed 4-1 (Chair Richardson abstained).

8. COMMUNICATIONS

8.a. Staff.

Director Mullen provided the following updates:

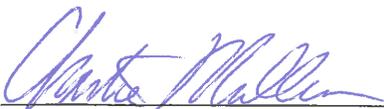
- At the next City Council meeting on April 21, 2015, we will have a discussion about land uses in the Town Center since the City has been marketing the City-owned property but have had no buyers.
- The developer for the Oak Creek Canyon subdivision wants to fund an environmental analysis for the project.
- On the Silver Oak Estates project, supplemental environmental work needs to be completed to address certain issues raised by concerned citizens.

8.b. Commission.

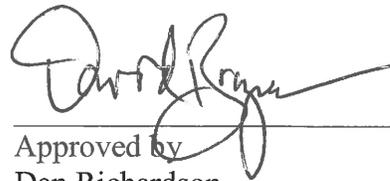
None.

9. ADJOURNMENT

- 9.a. The meeting was adjourned at 8:00 p.m. to the regularly-scheduled meeting of the Planning Commission on April 28, 2015.



Submitted by
Charlie Mullen
Community Development Director



Approved by
Dan Richardson
Chair

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