



Regular Meeting Agenda January 7, 2014

Placentia City Council
Placentia City Council as Successor to the
Placentia Redevelopment Agency
Placentia Industrial Commercial
Development Authority

Scott W. Nelson
Mayor

Joseph V. Aguirre
Mayor Pro Tem

Constance M. Underhill
Council Member

Chad P. Wanke
Council Member

Jeremy B. Yamaguchi
Council Member

Patrick J. Melia
City Clerk

Craig S. Green
City Treasurer

Troy L. Butzlaff, ICMA-CM
City Administrator

Andrew V. Arczynski
City Attorney

City of Placentia
401 E. Chapman Avenue
Placentia, CA 92870

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Website: www.placentia.org

Mission Statement

The City Council is committed to keeping Placentia a pleasant place by providing a safe family atmosphere, superior public services and policies that promote the highest standards of community life.

Vision Statement

The City of Placentia will maintain an open, honest, responsive and innovative government that delivers quality services in a fair and equitable manner while optimizing available resources.

Copies of all agenda materials are available for public review in the Office of the City Clerk, online at www.placentia.org, and at Placentia Library Reference Desk. Persons who have questions concerning any agenda item may call the City Clerk's Office, (714) 993-8231, to make inquiry concerning the nature of the item described on the agenda.

Procedures for Addressing the Council/Board Members

Any person who wishes to speak regarding an item on the agenda or on a subject within the City's jurisdiction during the "**Oral Communications**" portion of the agenda should fill out a "**Speaker Request Form**" and give it to the City Clerk BEFORE that portion of the agenda is called. Testimony for Public Hearings will only be taken at the time of the hearing. Any person who wishes to speak on a Public Hearing item should fill out a "**Speaker Request Form**" and give it to the City Clerk BEFORE the item is called.

The Council and Board members encourage free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of an entire group. To encourage all views, the Council and Board discourage clapping, booing or shouts of approval or disagreement from the audience.

PLEASE SILENCE ALL PAGERS, CELL PHONES, AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL AND BOARD MEMBERS ARE IN SESSION.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 993-8231. Notification 48 hours prior to the meeting will generally enable City Staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

In compliance with California Government Code § 54957.5, any writings or documents provided to a majority of the City Council regarding any item on this agenda that are not exempt from disclosure under the Public Records Act will be made available for public inspection at the City Clerk's Office at City Hall, 401 East Chapman Avenue, Placentia, during normal business hours.

Study Sessions are open to the public and held in the City Council Chambers or City Hall Community Room. Executive Sessions are held in the Council Caucus Room. While the public may be in attendance during oral announcements preceding Executive Sessions, Executive Sessions are not open to the public.

**PLACENTIA CITY COUNCIL AS SUCCESSOR TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
REGULAR MEETING AGENDA – EXECUTIVE SESSION
January 7, 2014
5:30 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER:

ROLL CALL: Councilmember/Board Member Underhill
Councilmember/Board Member Wanke
Councilmember/Board Member Yamaguchi
Mayor Pro Tem/Board Vice Chair Aguirre
Mayor/Board Chair Nelson

ORAL COMMUNICATIONS:

At this time the public may address the City Council and Boards of Directors concerning any items on the Executive Session Agenda only. There is a five (5) minute time limit for each individual addressing the City Council and Boards of Directors.

The City Council and Boards of Directors will recess to the City Council Caucus Room for the purpose of conducting their Executive Session proceedings.

CITY COUNCIL:

1. Pursuant to Government Code Section 54956.9(d)2 for Conference with Legal Counsel Regarding Anticipated Litigation – One (1) Item
2. Pursuant to Government Code Section 54956.9(d)4 for Conference with Legal Counsel Regarding the Initiation of Litigation – One (1) Item
3. Pursuant to Government Code Section 54957.6 Conference with City Labor Negotiator Concerning Labor Negotiations with the following groups:
 - a. Placentia Police Officers Association (PPOA)
 - b. Placentia Police Management Association (PPMA)
 - c. Placentia City Employees Association (PCEA)

City Representatives: Troy L. Butzlaff, City Administrator
Steve Pischel, Dir. Administrative/Community Services
4. Pursuant to Government Code Section 54957 for Public Employee Performance Evaluation
 - a. City Administrator
5. Pursuant to Government Code Section 54956.8 Conference with Real Property Negotiator:
 - a. Property: Vacant 0.0631 Acre Parcel, APN 339-102-01
City Negotiator: Troy L. Butzlaff, City Administrator
Negotiating Parties: Suburban Propane, L.P.
Under Negotiations: Price and Terms of Payment

SUCCESSOR AGENCY:

1. Pursuant to Government Code Section 54956.8 Conference with Real Property Negotiator:
 - a. Property: 132 Crowther Avenue, APN 339-091-08
Agency Negotiator: Troy L. Butzlaff, Executive Director
Negotiating Parties: Mark McEwen, DMWP, LLC
Under Negotiations: Price and Terms of Lease

ICDA:

1. Pursuant to Government Code Section 54956.8 Conference with Real Property Negotiator:
 - a. Property: 120 South Bradford Avenue, APN 339-052-23
Agency Negotiator: Troy L. Butzlaff, Executive Director
Negotiating Parties: Noah Furie, Budget Capital Corporation
Under Negotiations: Price and Terms of Payment

RECESS: The City Council and Boards of Directors will recess to their 7:00 p.m. Regular Meeting.

**PLACENTIA CITY COUNCIL
PLACENTIA CITY COUNCIL AS SUCCESSOR TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
REGULAR MEETING AGENDA
January 7, 2014
7:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER:

ROLL CALL: Councilmember/Board Member Underhill
Councilmember/Board Member Wanke
Councilmember/Board Member Yamaguchi
Mayor Pro Tem/Board Vice Chair Aguirre
Mayor/Board Chair Nelson

INVOCATION: Police Chaplain Ken Milhander

PLEDGE OF ALLEGIANCE:

PRESENTATIONS:

- a. **Summary of the 49th Annual Heritage Festival and Parade Event**
Presenters: Members of the Placentia Heritage Festival Committee
- b. **Recognition of 2013 Employee of the Year**
Recipient: Community Services Coordinator Maria Elena Maurer
Presenters: Mayor Nelson and City Administrator Butzlaff
- c. **Recognition of Employee Service Awards for 2013**
Presenters: Mayor Nelson and City Administrator Butzlaff

5 Year Recognition

Police Dispatcher/Records Clerk Melina Fabian	Police Officer Daniel Rainker
Public Works Admin. Assistant Sara Salazar	Interim Finance Director Michael Nguyen
Police Officer Jose Uceda	City Administrator Troy Butzlaff
Police Dispatcher/Records Clerk Jennifer Kuhse	Police Officer Thomas Mckenzie
Director of Public Works Stephen Drinovsky	Police Officer Jason Acala
Env. And Code Comp. Supervisor Robert Makowski	

10 Year Recognition

Police Dispatcher/Records Clerk Christopher Wolfey
Police Dispatcher/Records Clerk Juanita Martinez
Sr. Comm. Svcs. Leader/Lifeguard Timothy Morgan

15 Year Recognition

Police Sergeant Kelly Kenehan
Police Dispatcher/Records Clerk Kimberly Vantilborg

20 Year Recognition

Police Sergeant James McElhinney Police Sergeant Scott Millsap

25 Year Recognition

Maintenance Worker Osbaldo Rubalcava

Police Lieutenant Richard Pascarella

- d. **Retirement Recognition of Police Sergeant Brian Yamaguchi and Police Officer David Keen**

Recipients: Police Sergeant Brian Yamaguchi and Police Officer David Keen

Presenters: Mayor Nelson and Police Chief Hicks

EXECUTIVE SESSION REPORT:

CITY ADMINISTRATOR REPORT:

ORAL COMMUNICATIONS:

At this time the public may address the City Council and Boards of Directors concerning any agenda item, which is not a public hearing item, or on matters within the jurisdiction of the City Council and Boards of Directors. There is a five (5) minute time limit for each individual addressing the City Council and Boards of Directors.

CITY COUNCIL/BOARD MEMBERS COMMENTS AND REPORTS:

The purpose of these reports is to provide information on projects and programs that are discussed at interagency board, committee, and commission meetings. No decisions are to be made on these issues. If a Council or Board Member would like formal action on any of the discussed items, it will be placed on a future Council or Board Agenda.

1. CONSENT CALENDAR (Items 1.a. through 1.e.):

All items on the Consent Calendar are considered routine and are enacted by one motion approving the recommended action listed on the Agenda. Any Member of the City Council and Boards of Directors or City Administrator may request an item be removed from the Consent Calendar for discussion. All items removed shall be considered immediately following action on the remaining items.

COUNCIL/SUCCESSOR AGENCY/ICDA CONSENT CALENDAR:

- a. **Consideration to Waive Reading in Full of all Ordinances and Resolutions**

Financial Impact: None

Recommended Action: Approve

- b. **City Fiscal Year 2013-14 Warrant Register for December 18, 2013 through January 7, 2014**

Financial Impact: \$ 2,355,419.94

Recommended Action: Approve

COUNCIL CONSENT CALENDAR:

- c. **Approve Turf Replacement Demonstration Project with Yorba Linda Water District and Authorize an Award of Contract to OC Turf and Putting Greens, Inc., in an amount not to exceed \$56,303.50**

Financial Impact: Expense: \$56,303.50

Offsetting Revenue: \$56,303.50

Budgeted: \$56,303.50 (Account No.: 503901-6131 J/L 61131)

Recommended Action: It is recommended that the City Council:

- 1) Approve a Cooperative Agreement between the City of Placentia and Yorba Linda Water District implementation of the City of Placentia and Yorba Linda Water District Turf Replacement Demonstration Project
- 2) Award of contract to OC Turf and Putting Greens, Inc., for installation of artificial turf in an amount not to exceed \$56,303.50
- 3) Authorize the City Administrator to sign the required documents in a form approved by the City Attorney
- 4) Adopt Resolution No. R-2014-01, A Resolution of the City Council of the City of Placentia, California, authorizing a budget amendment in Fiscal Year 2013-14 in the aggregated amount of \$56,303.50 in compliance with City Charter §§ 1206 and 1209 pertaining to appropriations for actual expenditures

d. **Ratification of Emergency Proposal and Purchase Order Related to Storm Drain Repairs Located Along Bastanchury Road**

Financial Impact: Expense: \$40,221

Offsetting Revenue: \$40,221

Budgeted: \$40,221 (Account No.: 503901-6131)

Recommended Action: It is recommended that the City Council:

- 1) Approve proposal to Valverde Construction for an amount not to exceed \$40,221.00
- 2) Authorize the City Administrator to execute contract documents on behalf of the City, in a form approved by the City Attorney
- 3) Approve the attached budget amendment appropriating \$40,221.00 to Account No. 503901-6131 (Community Facilities District Surplus)

e. **Approve an Additional Purchase Authorization with Express Employment Professionals in the Amount of \$30,000 for an aggregate total of \$50,000 in Fiscal Year 2013-14 for Staffing Services**

Financial Impact: Expense: Not to Exceed \$50,000

Budgeted: (Account No.: 433658-6290)

Recommended Action: It is recommended that the City Council:

- 1) Approve an additional purchase authorization with Express Employment Professionals in the amount of \$30,000 for an aggregate total of \$50,000 in Fiscal Year 2013-14 for staffing services

SUCCESSOR AGENCY CONSENT CALENDAR: None

ICDA CONSENT CALENDAR: None

2. PUBLIC HEARINGS:

COUNCIL/SUCCESSOR AGENCY/ICDA: None

COUNCIL:

a. **Amendment to the Housing Element of the Placentia General Plan for the 2013-2021 Planning Period (General Plan Amendment 2013-01)**

CEQA Determination: Addendum to Mitigated Negative Declaration (MND) 2010-01

Financial Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Conduct a Public Hearing and consider Staff and Public Input pertaining to the proposed Housing Element Amendment. Close Public Hearing upon completion of testimony

- 2) Approve the Addendum to Mitigated Negative Declaration (MND) 2010-01 and direct the City Clerk to file notice of approval thereof as required by law
- 3) Adopt Resolution No. R-2014-02, A Resolution of the City Council of the City of Placentia, California, Approving the 2013-2021 Housing Element Amendment and directing Staff to transmit the Adopted Element to HCD for certification

SUCCESSOR AGENCY: None

ICDA: None

3. OLD BUSINESS:

COUNCIL/SUCCESSOR AGENCY/ICDA OLD BUSINESS: None

COUNCIL OLD BUSINESS:

- a. **Second Reading and Adoption of an Ordinance Amending Title 23 (Zoning Ordinance) of the Placentia Municipal Code Adding § 23.90.197 to Chapter 23.90 of Title 23 of the Placentia Municipal Code Allowing Digital and Static Advertising Displays on City-owned Property (Zoning Code Amendment 2013-03)**

CEQA Determination: Mitigate Negative Declaration (MND) 2013-01

Mitigation Monitoring and Reporting Program

Financial Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Approve Mitigated Negative Declaration (MND) 2013-01 and direct the City Clerk to file notice of approval thereof as required by law
- 2) Approve the Mitigation Monitoring and Reporting Program to ensure future applications pursuant to the revised code provisions are adequately scrutinized
- 3) Conduct second reading by title only and adopt, Ordinance O-2013-09 entitled, An Ordinance of the City Council of the City of Placentia, California, Adding Section 23.90.197 to Chapter 23.90 of Title 23 of the Placentia Municipal Code allowing digital and static advertising displays on city-owned property

SUCCESSOR AGENCY OLD BUSINESS: None

ICDA OLD BUSINESS: None

4. NEW BUSINESS:

COUNCIL/SUCCESSOR AGENCY/ICDA NEW BUSINESS: None

COUNCIL NEW BUSINESS:

- a. **Presentation of the Comprehensive Annual Financial Report for the Period Ending June 30, 2013**

Financial Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Receive and File the Comprehensive Annual Financial Report for the period ending June 30, 2013

- b. **Adopt Resolution of Intention to Establish City of Placentia Community Facilities District No. 2014-01 (Public Services) and to Authorize the Levy of a Special Tax Therein to Finance Certain Services and Resolution of Intention to Allow for Future Annexation of Territory to City of Placentia Community Facilities District No. 2014-01 (Public Services)**

Financial Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Accept the Petition from the developer initiating the formation of a Mello-Roos Community Facilities District
- 2) Adopt a Resolution of Intention to establish the proposed City of Placentia Community Facilities District No. 2014-01 (Public Services) ("CFD No. 2014-01") and to authorize the levy of special tax therein to finance certain services
- 3) Adopt a Resolution of Intention to allow for the future annexation of territory to Community Facilities District No. 2014-01 and to establish the future annexation area

SUCCESSOR AGENCY NEW BUSINESS: None

ICDA NEW BUSINESS: None

CITY COUNCIL/BOARD MEMBERS REQUESTS:

Council/Board Members may make requests or ask questions of Staff. If a Council/Board Member would like to have formal action taken on a requested matter, it will be placed on a future Council or Board Agenda.

ADJOURNMENT:

The City Council/Successor Agency/ICDA Agency Board of Directors will adjourn to January 21, 2014 at 5:30 p.m.

***In
Memory
of
Esther Ramirez Arellano
Grandmother to Executive Assistant to the City Administrator Maria Perez***

CERTIFICATION OF POSTING

I, Tania Moreno, Deputy City Clerk for the City of Placentia and Assistant Secretary of the Industrial Commercial Development Authority and Successor Agency, hereby certify that the Agenda for the January 7, 2014 meetings of the City Council, Successor Agency, and Industrial Commercial Development Authority was posted on January 2, 2014.

Tania Moreno, Deputy City Clerk

**SUMMARY OF THE 49TH ANNUAL HERITAGE FESTIVAL AND PARADE EVENT
CITY COUNCIL MEETING JANUARY 7, 2014**

Mayor Nelson to introduce Deputy Director of Community Services Nicks.

Staff and Committee member will provide a brief summary of 2013 Heritage Festival Event.

Members of the Placentia Heritage Committee will be recognized for their contributions to the 49th Annual Heritage Festival and Parade event that took place on October 12, 2013.

**Presenters: Mayor Nelson and Deputy Director of Community Services Jon Nicks
Recipients: Members of the Placentia Heritage Festival Committee**

**Presentation A
January 7, 2014**

RECOGNITION OF 2013 EMPLOYEE OF THE YEAR CITY COUNCIL MEETING JANUARY 7, 2014

Mayor Nelson to introduce City Administrator Butzlaff. City Administrator Butzlaff to provide a brief narrative of the Employee of the Year selection.

The "George J. Koch Employee of the Year Award" annually honors an individual who best exemplifies "excellence and outstanding service among City Employees". George Koch was one of Placentia's earliest employees. He was a colorful and friendly individual who exemplified the qualities of an outstanding employee. Several years ago Koch Park was named in his memory. This award has been presented annually for the past 43 years.

The employee of the year is selected by a Committee consisting of three past recipients of the Award. This year's committee consisted of Becky Cherene, Ken Alexander, and Arnie Ruiz.

The criteria used for selection allows all past recipients of Employee of the Quarter to be included in the field of candidates, selection is then based on (a) performance of employment duties and responsibilities and (b) relationships with fellow employees and the public.

Mayor Nelson and City Administrator Butzlaff to recognize Community Services Coordinator, Maria Elena Maurer as 2013 Employee of the Year.

- Maria Elena is a people person, prioritizes and delivers a high level of customer service, and is very knowledgeable of the community
- She began her career with the City in the mid 90's
- She was named employee of the Quarter in July 2001
- Maria Elena does whatever it takes to get the job done and has a high skill level and completes work of the highest quality
- She has primary responsibility for the City's Quarterly Newsletter that is distributed to over 18,000 homes and businesses.
- During her tenure, Maria Elena has progressed from Typist Clerk to Secretary to Administrative Assistant to Community Services Coordinator.
- We are pleased to announce that the employee of the year for 2013 is Community Services Coordinator Maria Elena Maurer

Presenters: Mayor Nelson and City Administrator Butzlaff
Recipient: Community Services Coordinator, Maria Elena Maurer

Presentation B
January 7, 2014

**RECOGNITION OF EMPLOYEE SERVICE AWARDS FOR 2013
CITY COUNCIL MEETING JANUARY 7, 2014**

Mayor Nelson to introduce City Administrator Butzlaff.

On Thursday, December 19, 2013 the City Council and the City Administrator recognized City Employees who had reached service milestones (5 years of service or more) in 2013. The City leaders are proud of the outstanding service that these employees continue to deliver to the community and look forward to their continued contributions in the years ahead. The list of employees who were recognized includes:

5 YEAR PINS

Jason Alcala	Police Officer
Melina Fabian	Police Dispatcher/Records Clerk
Jennifer Kuhse	Police Dispatcher/Records Clerk
Robert Makowski	Env. & Code Comp. Supervisor
Thomas McKenzie	Police Officer
Daniel Reinker	Police Officer
Jose Uceda	Police Officer
Stephen Drinovsky	Director of Public Works
Sara Salazar	Public Works Administrative Assistant
Michael Nguyen	Interim Finance Director
Troy Butzlaff	City Administrator

10 YEAR PINS

Timothy Morgan	Sr. Comm. Svcs. Leader/Lifeguard
Juanita Martinez	Police Dispatcher/Records Clerk-Acting Supervisor
Christopher Wolfley	Police Dispatcher/Records Clerk

15 YEAR PINS

Kelly Kenehan	Police Sergeant
Kimberly Vantilborg	Police Dispatcher/Records Clerk

20 YEAR PINS

James McElhinney	Police Sergeant
Scott Millsap	Police Sergeant

25 YEAR PINS

Richard Pascarella	Police Lieutenant
Osbaldo Rubalcava	Maintenance Worker

Presenters: Mayor Nelson and City Administrator Butzlaff

**Presentation C
January 7, 2014**

**RETIREMENT RECOGNITION OF SERGEANT BRIAN YAMAGUCHI (33 YEARS OF SERVICE); AND POLICE OFFICER DAVID KEEN (13 YEARS OF SERVICE)
CITY COUNCIL AGENDA, JANUARY 7, 2014**

Mayor Nelson to introduce Chief of Police Hicks. Chief of Police Hicks to provide a short biography of Sergeant Yamaguchi and Police Officer Keen.

Mayor Nelson and Chief of Police Hicks will present retirement recognition to Sergeant Yamaguchi and Police Officer Keen.

Presenters: Mayor Nelson and Police Chief Hicks

Recipients: Sergeant Brian Yamaguchi and Police Officer David Keen

**Presentation D
January 7, 2014**

City of Placentia
Warrant Register
For 01/07/2014

Type Vendor Name/ID Description Account/Description Batch ID Amount Invoice# PO # Check # Check Date

Grand Total: 2,355,419.94

<u>Warrant Totals by ID</u>	
AP	2,282,316.75
EP	73,103.19
IP	0.00
OP	0.00

Fund Name	<u>Warrant Totals by Fund</u>
101-General Fund	1,442,141.09
215-Air Quality Management	1,654.72
260-Street Lighting District	29,790.40
265-Landscape Maintenance	15,044.33
270-Housing and Community Develop.	12,495.00
275-Sewer Maintenance	29,034.61
280-Misc Grants Fund	57,369.47
401-City Capital Projects	138,703.85
501-Refuse Administration	417,441.11
601-Employee Health & Welfare	59,817.45
605-Risk Management	56,844.58
615-Information Technology	23,976.88
620-Citywide Services	60,721.99
701-Special Deposits	10,384.46

Warrant Total: 2,355,419.94

Void Total: 0.00
Warrant Total: 2,355,419.94

LEGEND	
EP	Electronic Payment
MW IP	Machine Written (Immediate Pay)
MW OH	Machine Written (Open Hold)
RV	Reversed Warrant

1.b.
January 7, 2014

City of Placentia
Warrant Register
For 12/30/2013

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
EP	ACOSTA, JOAQUIN E000017	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	188.23	JANUARY 14		00005292	12/29/2013
				Vendor Total:	188.23				
EP	ALDWIR, MAMOUN E000113	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	1,069.64	JANUARY 14		00005293	12/29/2013
				Vendor Total:	1,069.64				
EP	ANDERSON, MARLA E000071	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	800.48	JANUARY 14		00005294	12/29/2013
				Vendor Total:	800.48				
EP	ARMSTRONG, JOHN T E000046	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	1,194.00	JANUARY 14		00005295	12/29/2013
				Vendor Total:	1,194.00				
EP	BABCOCK, CHARLES A E000015	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	278.00	JANUARY 14		00005296	12/29/2013
				Vendor Total:	278.00				
EP	BEALS, SHARLENE E000076	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	188.23	JANUARY 14		00005297	12/29/2013
				Vendor Total:	188.23				
EP	BONESCHANS, DENNIS E000020	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	188.23	JANUARY 14		00005298	12/29/2013
				Vendor Total:	188.23				
EP	BUNNELL, DONALD E000062	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	495.46	JANUARY 14		00005299	12/29/2013
				Vendor Total:	495.46				
EP	BURGNER, ARTHUR E000074	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	495.46	JANUARY 14		00005300	12/29/2013
				Vendor Total:	495.46				
EP	CHANDLER, JOHN P E000109	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	915.00	JANUARY 14		00005301	12/29/2013
				Vendor Total:	915.00				

**City of Placentia
Warrant Register
For 12/30/2013**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
EP	CHANG, ROBERT E000107	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	915.00 1,326.00	JANUARY 14		00005302	12/29/2013
EP	COBBETT, GEOFFREY E000007	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	1,326.00 787.42	JANUARY 14		00005303	12/29/2013
EP	COOK, ARLENE M E000018	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	787.42 495.46	JANUARY 14		00005304	12/29/2013
EP	D'AMATO, ROBERT E000056	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	495.46 495.46	JANUARY 14		00005305	12/29/2013
EP	DAVID, PRESTON E000112	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	495.46 795.34	JANUARY 14		00005306	12/29/2013
EP	DAVIS, CAROLYN E000005	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	795.34 495.46	JANUARY 14		00005307	12/29/2013
EP	DELOS SANTOS, JAMIE E000045	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	495.46 993.00	JANUARY 14		00005308	12/29/2013
EP	DICKSON, ROBERTA JO E000011	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	993.00 188.23	JANUARY 14		00005309	12/29/2013
EP	DOWNEY, CAROL E000082	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	188.23 495.46	JANUARY 14		00005310	12/29/2013
EP	DURNIL, RODNEY	JAN MEDICAL REIMBURSEMENT	395083-5161	Vendor Total: R122013	495.46 954.98	JANUARY 14		00005311	12/29/2013

**City of Placentia
Warrant Register
For 12/30/2013**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	E000036		Health Insurance Premiums						
EP	ECKENRODE, NORMAN E000029	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	954.98 495.46	JANUARY 14		00005312	12/29/2013
EP	ELSTRO, ANN M E000027	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	495.46	JANUARY 14		00005313	12/29/2013
EP	ESCOBOSA, LILLIAN E000055	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	495.46	JANUARY 14		00005314	12/29/2013
EP	ESPINOZA, ROSALINDA E000016	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	437.00	JANUARY 14		00005315	12/29/2013
EP	FIGUEROA, DANIEL E000057	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	437.00	JANUARY 14		00005316	12/29/2013
EP	FISCHER, HAROLD A E000023	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	179.21 672.00	JANUARY 14		00005317	12/29/2013
EP	FRICKE, JUERGEN E000075	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	672.00	JANUARY 14		00005318	12/29/2013
EP	FULLER, GLENN H E000081	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	672.00	JANUARY 14		00005319	12/29/2013
EP	GALLANT, KAREN E000008	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	659.00 495.46	JANUARY 14		00005320	12/29/2013
				Vendor Total:	495.46				

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EP	GARNER, JO ANN E000047	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	495.46	JANUARY 14		00005321	12/29/2013
			Vendor Total:		495.46				
EP	GARNER, KITTY E000080	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	993.00	JANUARY 14		00005322	12/29/2013
			Vendor Total:		993.00				
EP	GOMEZ, DANIEL E000049	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	495.46	JANUARY 14		00005323	12/29/2013
			Vendor Total:		495.46				
EP	GRIMM, DENNIS L E000042	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	415.00	JANUARY 14		00005324	12/29/2013
			Vendor Total:		415.00				
EP	HOCH, ELEANOR M E000078	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	188.23	JANUARY 14		00005325	12/29/2013
			Vendor Total:		188.23				
EP	HOLTSLAW, KATHERINE E000121	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	437.00	JANUARY 14		00005326	12/29/2013
			Vendor Total:		437.00				
EP	ICMA RETIREMENT TRUST V000496	P/E 12/7/13 PD DATE 12/13/13	0037-2170 Deferred Comp Payable - ICMA	PY025	42.19	2995/1301025		00005291	12/13/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 12/7/13 PD DATE 12/13/13	0043-2170 Deferred Comp Payable - ICMA	PY025	50.00	2995/1301025		00005291	12/13/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 12/7/13 PD DATE 12/13/13	0048-2170 Deferred Comp Payable - ICMA	PY025	93.76	2995/1301025		00005291	12/13/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 12/7/13 PD DATE 12/13/13	0010-2170 Deferred Comp Payable - ICMA	PY025	7,760.93	2995/1301025		00005291	12/13/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 12/7/13 PD DATE 12/13/13	0029-2170 Deferred Comp Payable - ICMA	PY025	55.84	2995/1301025		00005291	12/13/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 12/21/13 PD DATE 12/27/13	0029-2170 Deferred Comp Payable - ICMA	PY13026	58.00	2995/1301026		00005386	12/27/2013

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EP	ICMA RETIREMENT TRUST V000496	P/E 12/21/13 PD DATE 12/27/13	0043-2170 Deferred Comp Payable - ICMA	PY13026	50.00	2995/1301026		00005386	12/27/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 12/21/13 PD DATE 12/27/13	0037-2170 Deferred Comp Payable - ICMA	PY13026	45.00	2995/1301026		00005386	12/27/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 12/21/13 PD DATE 12/27/13	0048-2170 Deferred Comp Payable - ICMA	PY13026	97.00	2995/1301026		00005386	12/27/2013
EP	ICMA RETIREMENT TRUST V000496	P/E 12/21/13 PD DATE 12/27/13	0010-2170 Deferred Comp Payable - ICMA	PY13026	7,252.72	2995/1301026		00005386	12/27/2013
			Vendor Total:		15,505.44				
EP	IRVINE, SUZETTE E000019	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	800.48	JANUARY 14		00005327	12/29/2013
EP	JENKINS, ROBERT E000084	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	495.46	JANUARY 14		00005328	12/29/2013
EP	JOHNSON, SHARON E000099	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	495.46	JANUARY 14		00005329	12/29/2013
EP	JONES, ROBERT E000053	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	495.46	JANUARY 14		00005330	12/29/2013
EP	JUDD, TERRELL E000115	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	179.21	JANUARY 14		00005331	12/29/2013
EP	KIRKLAND, RICHARD L E000110	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	1,069.64	JANUARY 14		00005332	12/29/2013
EP	LITTLE, DIANE M E000098	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	338.17	JANUARY 14		00005333	12/29/2013
			Vendor Total:		338.17				
			Vendor Total:		415.00				

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EP	LOOMIS, CORINNE E000122	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	415.00 338.17	JANUARY 14		00005334	12/29/2013
EP	LOWREY, B J E000041	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	338.17 272.00	JANUARY 14		00005335	12/29/2013
EP	MAERTZWEILER, MICHAEL E000032	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	272.00 495.46	JANUARY 14		00005336	12/29/2013
EP	MANNING, VEDA M E000063	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	495.46 188.23	JANUARY 14		00005337	12/29/2013
EP	MARMOLEJO, PACO E000068	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	188.23 1,326.00	JANUARY 14		00005338	12/29/2013
EP	MILANO, JAMES E000054	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	1,326.00 495.46	JANUARY 14		00005339	12/29/2013
EP	MILLER, RICHARD E000106	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	495.46 915.00	JANUARY 14		00005340	12/29/2013
EP	MONTOOTH, MARLENE E000021	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	915.00 188.23	JANUARY 14		00005341	12/29/2013
EP	MOORE, LARRY W E000044	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	188.23 437.00	JANUARY 14		00005342	12/29/2013
EP	NAJERA, ROBERT JR	JAN MEDICAL REIMBURSEMENT	395083-5161	Vendor Total: R122013	437.00 795.34	JANUARY 14		00005343	12/29/2013

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	E000065		Health Insurance Premiums						
EP	NISSEN, JANICE E000073	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	795.34 188.23	JANUARY 14		00005344	12/29/2013
EP	OLEA, ARLENE J E000014	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	188.23 1,069.64	JANUARY 14		00005345	12/29/2013
EP	ORTEGA, MANUEL E E000100	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	1,069.64 926.00	JANUARY 14		00005346	12/29/2013
EP	PALMER, GEORGE E000094	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	926.00 830.00	JANUARY 14		00005347	12/29/2013
EP	PASCUA, RAYNALD E000114	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	830.00 1,326.00	JANUARY 14		00005348	12/29/2013
EP	PASPALL, MIHAJLO E000085	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	1,326.00 477.42	JANUARY 14		00005349	12/29/2013
EP	PEREZ, ROBERT E000111	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	477.42 179.21	JANUARY 14		00005350	12/29/2013
EP	PICHON, WALTER E000103	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	179.21 208.36	JANUARY 14		00005351	12/29/2013
EP	PONCE, EDMUND M E000040	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	208.36 188.23	JANUARY 14		00005352	12/29/2013
				Vendor Total:	188.23				

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EP	REDIFER, KIM R E000022	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	830.00	JANUARY 14		00005353	12/29/2013
				Vendor Total:	830.00				
EP	RENDEN, BRIAN E000083	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	820.82	JANUARY 14		00005354	12/29/2013
				Vendor Total:	820.82				
EP	REYES, ROGER T E000024	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	800.48	JANUARY 14		00005355	12/29/2013
				Vendor Total:	800.48				
EP	RICE, RUSSELL J E000059	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	993.00	JANUARY 14		00005356	12/29/2013
				Vendor Total:	993.00				
EP	RISHER, THOMAS A E000013	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	807.00	JANUARY 14		00005357	12/29/2013
				Vendor Total:	807.00				
EP	RITCHIE, SYLVIA E000072	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	495.46	JANUARY 14		00005358	12/29/2013
				Vendor Total:	495.46				
EP	RIVERA, AIDA E000026	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	188.23	JANUARY 14		00005359	12/29/2013
				Vendor Total:	188.23				
EP	ROACH, MICHAEL E000105	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	915.00	JANUARY 14		00005360	12/29/2013
				Vendor Total:	915.00				
EP	ROBB, SANDRA E000043	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	495.46	JANUARY 14		00005361	12/29/2013
				Vendor Total:	495.46				
EP	ROBERTSON, JAMES S E000093	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	188.23	JANUARY 14		00005362	12/29/2013
				Vendor Total:	188.23				

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EP	RODARTE, JOE R E000034	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	188.23 272.00	JANUARY 14		00005363	12/29/2013
EP	ROKOSZ, KEN A E000035	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	272.00 338.17	JANUARY 14		00005364	12/29/2013
EP	ROSE, RICHARD D E000050	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	338.17 807.00	JANUARY 14		00005365	12/29/2013
EP	SALE, LEE R E000031	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	807.00 495.46	JANUARY 14		00005366	12/29/2013
EP	SANCHEZ, LAURA E000058	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	495.46 188.23	JANUARY 14		00005367	12/29/2013
EP	SANGOLUISA, ZORA G E000048	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	188.23 188.23	JANUARY 14		00005368	12/29/2013
EP	SCHLIEDER, BEVERLY E000120	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	188.23 1,326.00	JANUARY 14		00005369	12/29/2013
EP	SCHULTZ, DANIEL E000070	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	1,326.00 179.21	JANUARY 14		00005370	12/29/2013
EP	SOMOYA, JOHN P E000089	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	179.21 806.00	JANUARY 14		00005371	12/29/2013
EP	SOTO, PHILIP J	JAN MEDICAL REIMBURSEMENT	395083-5161	Vendor Total: R122013	806.00 495.46	JANUARY 14		00005372	12/29/2013

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	E000052		Health Insurance Premiums						
EP	SPRAGUE, GARY A E000064	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	495.46 1,194.00	JANUARY 14		00005373	12/29/2013
EP	STEPHEN, JEFFREY E000119	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	1,194.00 1,326.00	JANUARY 14		00005374	12/29/2013
EP	TAYLOR, DAVID M E000088	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	1,326.00 915.00	JANUARY 14		00005375	12/29/2013
EP	THOMANN, DARYLL L E000101	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	915.00 495.46	JANUARY 14		00005376	12/29/2013
EP	TOTH, STEVE E000067	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	495.46 830.00	JANUARY 14		00005377	12/29/2013
EP	TRIFOS, WILLIAM E000104	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	830.00 1,149.00	JANUARY 14		00005378	12/29/2013
EP	VALENTINE, THOMAS E000118	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	1,149.00 1,194.00	JANUARY 14		00005379	12/29/2013
EP	VERSTYNEN, WILLIAM E000092	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	1,194.00 350.91	JANUARY 14		00005380	12/29/2013
EP	WAHL, KATHLEEN A E000030	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	Vendor Total: R122013	350.91 188.23	JANUARY 14		00005381	12/29/2013
				Vendor Total:	188.23				

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EP	WIEST, STEPHEN E000079	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	495.46	JANUARY 14		00005382	12/29/2013
				Vendor Total:	495.46				
EP	WORDEN, LARRY M E000116	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	1,102.77	JANUARY 14		00005383	12/29/2013
				Vendor Total:	1,102.77				
EP	ZAMORA, JERRY E000037	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	830.00	JANUARY 14		00005384	12/29/2013
				Vendor Total:	830.00				
EP	ZINN, JOHN E000009	JAN MEDICAL REIMBURSEMENT	395083-5161 Health Insurance Premiums	R122013	795.34	JANUARY 14		00005385	12/29/2013
				Vendor Total:	795.34				
				Type Total:	73,103.19				
MW OH	ALL CITY MANAGEMENT SI V000005	10/13-26 CROSSING GUARD SVS	103041-6099 Other Professional Services	TK1217A	8,005.31	33068	P09401	00082646	12/18/2013
				Vendor Total:	8,005.31				
MW IP	ALLIANT INSURANCE SERV V007375	EARTHQUAKE INSURANCE	404582-6201 Liability Insurance Premiums	ITK1219C	39,938.40	176716	P09802	00082702	12/19/2013
				Vendor Total:	39,938.40				
MW OH	ANDERSON, SUSAN V005938	CLASS REFUND	100000-4340 / 79344-4340 Recreation Programs	TK1217A	47.00	91418		00082647	12/18/2013
				Vendor Total:	47.00				
MW IP	ARAMARK UNIFORM SERV V004232	PW UNIFORMS	103650-6360 Uniforms	ITK1219C	65.21	502-8348566	P09047	00082703	12/19/2013
				Vendor Total:	28.88				
MW IP	ARAMARK UNIFORM SERV V004232	PW UNIFORMS	103650-6360 Uniforms	ITK1219C	138.73	502-8365421	P09047	00082703	12/19/2013
				Vendor Total:	64.80				
MW IP	ARAMARK UNIFORM SERV V004232	PW UNIFORMS	103650-6360	ITK1219C			P09047	00082703	12/19/2013

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	V004232		Uniforms						
MW OH	ASSOCIATION OF CALIFORNIANS	BUSINESS DINNER MEETING-NEL	101001-6255	Vendor Total:	297.62				
	V007389		Dues & Memberships	TK1217A	65.00	996	P09794	00082648	12/18/2013
MW IP	AT & T	DEC POWELL BLDG DSL	431010-6215	Vendor Total:	65.00				
	V008736		Telephone	ITK1212B	60.00	DECEMBER 20		00082624	12/12/2013
MW OH	AT & T MOBILITY	NOV IPAD CHARGES	431010-6215	Vendor Total:	60.00				
	V008709		Telephone	TK1217A	447.85	X12152013		00082649	12/18/2013
MW IP	AT&T	NOV PHONE CHARGES	431010-6215	Vendor Total:	447.85				
	V004144		Telephone	ITK1212B	229.32	120113		00082625	12/12/2013
MW IP	AT&T	NOV PHONE CHARGES	0010-1220	ITK1212B	7.85	120113		00082625	12/12/2013
	V004144		Accts Rec/Plac Library Dist						
MW IP	AT&T	NOV PHONE CHARGES	296561-6215	ITK1212B	30.08	120113		00082625	12/12/2013
	V004144		Telephone						
MW IP	AT&T	OCT-NOV PHONE CHARGES	431010-6215	ITK1219C	668.22	120213		00082704	12/19/2013
	V004144		Telephone						
MW IP	AT&T	OCT-NOV PHONE CHARGES	296561-6215	ITK1219C	79.33	120213		00082704	12/19/2013
	V004144		Telephone						
MW IP	AWARDS BY RUBI	PLAQUE ENGRAVING	101512-6301	Vendor Total:	1,014.80				
	V009273		Special Department Supplies	ITK1219C	100.44	R121613		00082705	12/19/2013
MW IP	B & M LAWN & GARDEN CE	TOOLS & EQUIPMENT	433658-6301	Vendor Total:	100.44				
	V000127		Special Department Supplies	ITK1219C	80.35	142913	P09772	00082706	12/19/2013
MW IP	B & M LAWN & GARDEN CE	TOOLS & EQUIPMENT	433658-6301	ITK1219C	72.67	142914	P09772	00082706	12/19/2013
	V000127		Special Department Supplies						
MW IP	B & M LAWN & GARDEN CE	TOOLS & EQUIPMENT	433658-6301	ITK1219C	199.08	142915	P09772	00082706	12/19/2013

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	V000127		Special Department Supplies						
MW OH	BATTERY SYSTEMS V002360	BATTERIES/SUPPLIES	433658-6134 Vehicle Repair & Maintenance	TK1217A	352.10	11-285531	P09294	00082650	12/18/2013
				Vendor Total:	101.91				
MW OH	BCSRA V007687	FALL OFFICIATING CHARGES	104071-6275 / 79105-6275 Officiating	TK1217A	228.00	39	P09760	00082651	12/18/2013
				Vendor Total:	228.00				
MW IP	BTI APPRAISAL V007009	APPRAISAL: 334 W. SANTA FE	431010-6999 Other Expenditure	ITK1212B	1,000.00	11857	P09766	00082626	12/12/2013
				Vendor Total:	1,000.00				
MW OH	BURKE WILLIAMS & SOREN V006247	NOV LEGAL SERVICES	101005-6005 Legal Services	TK1217A	9,319.65	172618	P08928	00082652	12/18/2013
				Vendor Total:	9,319.65				
MW IP	CALIFORNIA DENTAL NETV V008102	JAN DENTAL INSURANCE	395000-4720 ISF Dental Ins Reimbursement	ITK1212B	809.96	JAN 2014		00082627	12/12/2013
MW IP	CALIFORNIA DENTAL NETV V008102	JAN DENTAL INSURANCE	395083-5162 Dental Insurance Premiums	ITK1212B	178.86	JAN 2014		00082627	12/12/2013
				Vendor Total:	988.82				
MW OH	CALIFORNIA STATE DISBUI V004813	P/E 12/7/13 PD DATE 12/13/13	0010-2196 Garnishments W/H	PY025	461.53	2700/1301025		00082639	12/13/2013
MW OH	CALIFORNIA STATE DISBUI V004813	P/E 12/21/13 PD DATE 12/27/13	0010-2196 Garnishments W/H	PY13026	461.53	2700/1301026		00082749	12/27/2013
				Vendor Total:	923.06				
MW OH	CAMPOS, ERIC V009264	DEPOSIT REFUND-AGUIRRE	100000-4385 / 79160-4385 Facility Rental	TK1217A	100.00	91420		00082653	12/18/2013
				Vendor Total:	100.00				
MW IP	CANON FINANCIAL SERVIC V008867	NOV PD FAX LEASE PAYMENT	431010-6175 Office Equipment Rental	ITK1212B	18.35	13315846	P09070	00082628	12/12/2013

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MW IP	CANON FINANCIAL V008867	SERVIC NOV PD FAX LEASE PAYMENT	374386-6175 Office Equipment Rental	ITK1212B	18.35	13315846	P09070	00082628	12/12/2013
MW IP	CANON FINANCIAL V008867	SERVIC NOV COPIER LEASE PAYMENT	374386-6175 Office Equipment Rental	ITK1212B	340.00	13315847	P09071	00082628	12/12/2013
MW IP	CANON FINANCIAL V008867	SERVIC NOV COPIER LEASE PAYMENTS	431010-6175 Office Equipment Rental	ITK1212B	340.00	13315847	P09071	00082628	12/12/2013
				Vendor Total:	716.70				
MW OH	CANON SOLUTIONS AMERI V008809	AMERI NOV COPIER USAGE	431010-6175 Office Equipment Rental	TK1217A	34.86	4011550213	P09069	00082654	12/18/2013
MW OH	CANON SOLUTIONS AMERI V008809	AMERI NOV COPIER USAGE	431010-6175 Office Equipment Rental	TK1217A	434.45	4011550199	P09392	00082654	12/18/2013
				Vendor Total:	469.31				
MW IP	CARL WARREN & CO V008011	DEC 3RD PARTY LIABILITY CLAIM Third Party Administration	404582-6025	ITK1219C	1,481.00	1552338	P09119	00082707	12/19/2013
MW IP	CARWASH OF AMERICA V000771	NOV CITY CAR WASHES	433658-6290 Dept. Contract Services	ITK1219C	465.70	NOV 13	P08973	00082708	12/19/2013
				Vendor Total:	1,481.00				
MW IP	CBE V008124	NOV COPIER OVERAGES-REC	431010-6175 Office Equipment Rental	ITK1212B	465.70	IN1555962	P08898	00082629	12/12/2013
MW IP	CBE V008124	NOV COPIER OVERAGES-ADMIN	431010-6175 Office Equipment Rental	ITK1212B	407.48	IN1555961	P08899	00082629	12/12/2013
MW IP	CBE V008124	NOV WHITTEN COPIER LEASE	101572-6135 Repair/Maint Off Furn & Eq	ITK1212B	43.93	IN1555963	P09298	00082629	12/12/2013
				Vendor Total:	877.61				
MW OH	CLEAN CITY V007411	NOV GRAFFITI REMOVAL	103652-6290 Dept. Contract Services	TK1217A	19,273.00	374	P09090	00082655	12/18/2013
MW IP	CLEAR CHOICE LIEN SALES V005847	OCT LIEN SALES SVS Lien Services	103041-6182	ITK1219C	12.50	233C	P08926	00082709	12/19/2013
				Vendor Total:	19,273.00				

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MW IP	CLEAR CHOICE LIEN SALES NOV LIEN SALES SVS V005847		103041-6182 Lien Services	ITK1219C	12.50	257C	P08926	00082709	12/19/2013
MW IP	CLEAR CHOICE LIEN SALES NOV LIEN SALES SVS V005847		103041-6182 Lien Services	ITK1219C	12.50	266B	P08926	00082709	12/19/2013
MW IP	CLEAR CHOICE LIEN SALES NOV LIEN SALES SVS V005847		103041-6182 Lien Services	ITK1219C	75.00	266C	P08926	00082709	12/19/2013
MW IP	CLEAR CHOICE LIEN SALES DEC LIEN SALES SVS V005847		103041-6182 Lien Services	ITK1219C	12.50	268A	P08926	00082709	12/19/2013
MW IP	CLEAR CHOICE LIEN SALES NOV LIEN SALES SVS V005847		103041-6182 Lien Services	ITK1219C	25.00	3431	P08926	00082709	12/19/2013
MW IP	CLEAR CHOICE LIEN SALES NOV LIEN SALES SVS V005847		103041-6182 Lien Services	ITK1219C	75.00	3431A	P08926	00082709	12/19/2013
MW IP	CLEAR CHOICE LIEN SALES NOV LIEN SALES SVS V005847		103041-6182 Lien Services	ITK1219C	15.00	6517	P08926	00082709	12/19/2013
MW IP	CLEAR CHOICE LIEN SALES NOV LIEN SALES SVS V005847		103041-6182 Lien Services	ITK1219C	7.50	6521	P08926	00082709	12/19/2013
MW IP	CLEAR CHOICE LIEN SALES NOV LIEN SALES SVS V005847		103041-6182 Lien Services	ITK1219C	22.50	6521A	P08926	00082709	12/19/2013
				Vendor Total:	270.00				
MW OH	CLOUSE, JEFF V009261	DEPOSIT REFUND-AGUIRRE	100000-4385 / 79160-4385 Facility Rental	TK1217A	100.00	91367		00082656	12/18/2013
				Vendor Total:	100.00				
MW OH	CODDING, BARBARA V009262	DEPOSIT REFUND-BACKS BLDG	100000-4385 / 79161-4385 Facility Rental	TK1217A	150.00	91366		00082657	12/18/2013
				Vendor Total:	150.00				
MW IP	COMLOCK V003166	KEY DUPLICATION	433654-6130 Repair & Maint/Facilities	ITK1219C	87.48	635556	P09813	00082710	12/19/2013
				Vendor Total:	87.48				
MW IP	COMMERCIAL AQUATIC SE AUG GOMEZ CHEMICAL DELIVER V005203		433654-6137 Repair Maint/Equipment	ITK1219C	744.55	113-1996	P09759	00082711	12/19/2013

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MW IP	COMMERCIAL AQUATIC SE NOV GOMEZ CHEMICAL DELIVER V005203		433654-6137 Repair Maint/Equipment	ITK1219C	819.72	113-2953	P09759	00082711	12/19/2013
			Vendor Total:		1,564.27				
MW OH	CORDERO, DIONE V009265	DEPOSIT REFUND-AGUIRRE	100000-4385 / 79160-4385 Facility Rental	TK1217A	100.00	91424		00082658	12/18/2013
			Vendor Total:		100.00				
MW IP	COUNTY OF ORANGE V007152	PROPERTY TAX PAYMENTS	431010-6410 Property Taxes	ITK1211A	1,553.78	PROP TAX 13/1		00082623	12/10/2013
MW IP	COUNTY OF ORANGE V007152	PROPERTY TAX PAYMENTS	484376-6120 R & M/Sewer & Storm Drain	ITK1211A	28,384.64	PROP TAX 13/1		00082623	12/10/2013
			Vendor Total:		29,938.42				
MW OH	CPRS DISTRICT 10 V009154	REC LEADER TRAINING	104071-6245 Meetings & Conferences	TK1217A	180.00	100513		00082659	12/18/2013
			Vendor Total:		180.00				
MW IP	CRAFTSMAN WOOD FIRED V009271	2013 STAFF HOLIDAY LUNCHEON	431010-6301 Special Department Supplies	ITK1219C	1,500.00	1002	P09821	00082712	12/19/2013
			Vendor Total:		1,500.00				
MW OH	DELL MARKETING L.P. V000301	3 COMPUTERS,MONITORS,KEYBO	103043-6301 Special Department Supplies	TK1217A	3,451.20	XJ8DPPDM5	P09595	00082660	12/18/2013
MW OH	DELL MARKETING L.P. V000301	COMPUTER REPLACEMENT	333523-6840 / 30029-6840 Machinery & Equipment	TK1217A	6,391.51	XJ8JM4D75	P09673	00082660	12/18/2013
			Vendor Total:		9,842.71				
MW IP	DISCOVERY SCIENCE CENT V001470	RECYCLING PROGRAM MATERIAL	504315-6301 / 20039-6301 Special Department Supplies	ITK1212B	2,160.00	09302013 CPI	P09775	00082630	12/12/2013
			Vendor Total:		2,160.00				
MW OH	DISTINGUISHED PEST CON V003466	QUARTERLY PEST CONTROL	433654-6130 Repair & Maint/Facilities	TK1217A	1,090.00	10594	P08965	00082661	12/18/2013
			Vendor Total:		1,090.00				
MW IP	DRABEK, GARY	NOV RESERVE OFFICER STIPEND	103041-5005 / 50065-5005	ITK1219C	200.00	NOV 13	P08873	00082713	12/19/2013

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	V004197		Salaries/Part-Time						
MW IP	DRLIK, GARY V004475	NOV RESERVE OFFICER STIPEND	103041-5005 / 50065-5005 Salaries/Part-Time	Vendor Total: ITK1219C	200.00	200.00 NOV 13	P09822	00082714	12/19/2013
MW OH	EMERGENCY RESPONSE V003861	HAZ MAT CLEAN UP 12/5/13	103043-6299 / 50040-6299 Other Purchased Services	Vendor Total: TK1217A	200.00	700.00 T2013-607	P09793	00082662	12/18/2013
MW IP	ENVIRONMENTAL SIGNING COMMISSIONER NAME PLATE V000343		431010-6301 Special Department Supplies	Vendor Total: ITK1212B	700.00	71.68 33814	P09769	00082631	12/12/2013
MW IP	FAIRWAY FORD V000376	VEHICLE PARTS	433658-6290 Dept. Contract Services	Vendor Total: ITK1219C	71.68	100.60 192657	P09197	00082715	12/19/2013
MW IP	FAIRWAY FORD V000376	VEHICLE REPAIRS	433658-6134 Vehicle Repair & Maintenance	Vendor Total: ITK1219C	75.95	75.95 C60960	P09263	00082715	12/19/2013
MW IP	FEDEX V000394	SHIPPING CHARGES	101513-6325 Postage	Vendor Total: ITK1219C	176.55	19.27 2-495-34097	P09823	00082716	12/19/2013
MW IP	FENSTERMAKER, DANIEL V005067	DEC MEDIA SERVICES	441573-6099 Other Professional Services	Vendor Total: ITK1219C	19.27	3,321.96 PLA-13-012	P09006	00082717	12/19/2013
MW OH	FERGUSON PRAET & SHERN OCT LEGAL SERVICES: GONZALEZ V000396	Litigation	404582-6006 / 10036-6006 Litigation	Vendor Total: TK1217A	3,321.96	1,813.00 17669	P09685	00082663	12/18/2013
MW OH	FERGUSON PRAET & SHERN OCT LEGAL SERVICES: VOHRA V000396	Litigation	404582-6006 / 10031-6006 Litigation	Vendor Total: TK1217A	74.00	74.00 17670	P09686	00082663	12/18/2013
MW OH	FRANCHISE TAX BOARD V000404	P/E 12/21/13 PD DATE 12/27/13	0010-2196 Garnishments W/H	Vendor Total: PY13026	1,887.00	704.69 2710/1301026		00082750	12/27/2013

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MW IP	G5 VENTURES V000743	GASOLINE	433658-6345 Gasoline & Diesel Fuel	ITK1212B	704.69	2008567	P09727	00082632	12/12/2013
			Vendor Total:		20.85				
MW IP	GE CAPITAL V008085	FEB PW COPIER LEASE	484376-6175 Office Equipment Rental	ITK1219C	294.22	59912429	P09602	00082718	12/19/2013
			Vendor Total:		294.22				
MW OH	GEO PLASTICS V008996	OIL RECYCLING CONTAINERS	504315-6301 Special Department Supplies	TK1217A	4,111.15	65867	P09771	00082664	12/18/2013
			Vendor Total:		4,111.15				
MW OH	GLASBY MAINT. SUPPLY CO V000445	SUPPLY CO RESTROOM SUPPLIES	104071-6301 Special Department Supplies	TK1217A	64.80	244394	P09718	00082665	12/18/2013
MW OH	GLASBY MAINT. SUPPLY CO V000445	SUPPLY CO CLEANING SUPPLIES	433654-6130 Repair & Maint/Facilities	TK1217A	409.37	245100	P09728	00082665	12/18/2013
			Vendor Total:		474.17				
MW IP	GOLDEN STATE WATER CO V000928	SEPT-NOV WATER CHARGES	296561-6335 Water	ITK1212B	13,695.35	120213		00082633	12/12/2013
MW IP	GOLDEN STATE WATER CO V000928	SEPT-NOV WATER CHARGES	431010-6335 Water	ITK1212B	5,587.97	120213		00082633	12/12/2013
MW IP	GOLDEN STATE WATER CO V000928	OCT-DEC WATER CHARGES	431010-6335 Water	ITK1219C	5,725.20	120613		00082719	12/19/2013
MW IP	GOLDEN STATE WATER CO V000928	OCT-DEC WATER CHARGES	296561-6335 Water	ITK1219C	758.40	120613		00082719	12/19/2013
			Vendor Total:		25,766.92				
MW OH	GREAT WEST V006983	P/E 12/7/13 PD DATE	0010-2172 Deferred Comp Pay. - Gr West	PY025	841.80	2607/1301025		00082640	12/13/2013
MW OH	GREAT WEST V006983	P/E 12/7/13 PD DATE	0048-2172 Deferred Comp Pay. - Gr West	PY025	41.49	2607/1301025		00082640	12/13/2013
MW OH	GREAT WEST V006983	P/E 12/7/13 PD DATE	0029-2172 Deferred Comp Pay. - Gr West	PY025	16.41	2607/1301025		00082640	12/13/2013

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MW OH	GREAT WEST V006983	P/E 12/21/13 PD DATE 12/27/13	0048-2172 Deferred Comp Pay. - Gr West	PY13026	42.23	2607/1301026		00082751	12/27/2013
MW OH	GREAT WEST V006983	P/E 12/21/13 PD DATE 12/27/13	0029-2172 Deferred Comp Pay. - Gr West	PY13026	16.90	2607/1301026		00082751	12/27/2013
MW OH	GREAT WEST V006983	P/E 12/21/13 PD DATE 12/27/13	0010-2172 Deferred Comp Pay. - Gr West	PY13026	840.57	2607/1301026		00082751	12/27/2013
			Vendor Total:		1,799.40				
MW IP	HASKELL & WHITE LLP V007823	2012/13 FINANCIAL AUDIT SVS	102021-6010 Accounting & Auditing Service	ITK1219C	27,911.25	65597	P08991	00082720	12/19/2013
			Vendor Total:		27,911.25				
MW OH	HENSEL DIVERSIFIED CONS V007413	HOUSING REHAB-161 E. ORANGET Community Programs	302535-6401	TK1217A	12,495.00	1030131	P09773	00082666	12/18/2013
			Vendor Total:		12,495.00				
MW OH	HINDERLITER DE LLAMAS V000465	4TH QTR SALES TAX & AUDIT SER Other Professional Services	102021-6099	TK1217A	1,226.52	0021527-IN	P09765	00082667	12/18/2013
			Vendor Total:		1,226.52				
MW IP	IMPERIAL SPRINKLER SUPP V006506	IRRIGATION SUPPLIES Special Department Supplies	103655-6301	ITK1219C	107.04	1870554-00	P09693	00082721	12/19/2013
			Vendor Total:		107.04				
MW OH	INTERNAL CONTROL V000504	NOV POLYGRAPH EXAMS Other Professional Services	103040-6099	TK1217A	750.00	10562	P09761	00082668	12/18/2013
			Vendor Total:		750.00				
MW IP	J KIM ELECTRIC INC V009249	DEC CONSTRUCTION SVS-KRAEM Construction Services	333555-6185 / 61129-6185	ITK1219C	36,404.00	2013-1125-10	P09780	00082722	12/19/2013
			Vendor Total:		36,404.00				
MW OH	KNOWLES-MCNIFF INC V000558	NOV SOFTWARE SUPPORT Software Maintenance	422023-6136	TK1217A	2,882.25	INV90621	P09792	00082669	12/18/2013
			Vendor Total:		2,882.25				
MW IP	KOA CORPORATION	SEPT GENERAL PLAN UPDATE	102531-6290	ITK1219C	1,500.00	JB13154X13	P09797	00082723	12/19/2013

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	V006654		Dept. Contract Services						
MW IP	KOA CORPORATION V006654	SEPT SCHANER RANCH ANALYSIS	102531-6290 / 45042-6290 Dept. Contract Services	ITK1219C	1,750.00	JB33016X5	P09809	00082723	12/19/2013
			Vendor Total:		3,250.00				
MW OH	LARA POOLS V009254	SWIMMING POOL BOND REFUND	0044-2045 Construction Deposits(Swim)	TK1217A	500.00	121113	P09758	00082670	12/18/2013
			Vendor Total:		500.00				
MW OH	LIEBERT CASSIDY WHITMC V000597	OCT LEGAL SERVICES:GONZALEZ	404582-6210 / 10035-6210 Liability Claims	TK1217A	12,580.50	173037	P09704	00082671	12/18/2013
			Vendor Total:		12,580.50				
MW OH	LOS ALTOS TROPHY CO V000584	ADULT SPORTS PLAQUES	104071-6301 / 79105-6301 Special Department Supplies	TK1217A	232.05	46973	P09741	00082672	12/18/2013
MW OH	LOS ALTOS TROPHY CO V000584	ADULT SPORTY PLAQUES	104071-6301 / 79364-6301 Special Department Supplies	TK1217A	232.05	46973	P09741	00082672	12/18/2013
MW OH	LOS ALTOS TROPHY CO V000584	ADULT SPORTS PLAQUES	104071-6301 / 79364-6301 Special Department Supplies	TK1217A	30.24	47033	P09741	00082672	12/18/2013
MW OH	LOS ALTOS TROPHY CO V000584	ADULT SPORTS PLAQUES	104071-6301 / 79105-6301 Special Department Supplies	TK1217A	30.24	47033	P09741	00082672	12/18/2013
			Vendor Total:		524.58				
MW OH	MACIAS, GLORIA V009266	DEPOSIT REFUND-BACKS BLDG	100000-4385 / 79161-4385 Facility Rental	TK1217A	150.00	91423		00082673	12/18/2013
			Vendor Total:		150.00				
MW OH	MANAGEMENT PARTNERS V008226	11/18-26 INTERIM MGMT ASSISTAN	101511-6001 Management Consulting Services	TK1217A	2,107.92	INV00799	P09777	00082674	12/18/2013
			Vendor Total:		2,107.92				
MW IP	MARTINEZ, STEVE V006490	NOV RESERVE OFFICER STIPEND	103041-5005 / 50065-5005 Salaries/Part-Time	ITK1219C	200.00	NOV 13	P08874	00082724	12/19/2013
			Vendor Total:		200.00				
MW OH	MATHIS GROUP	PHASE 1 MANAGEMENT CONSULT	101511-6001	TK1217A	4,000.00	15919	P09795	00082675	12/18/2013

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	V009222		Management Consulting Services						
MW OH	MC FADDEN-DALE HARDW V000635	MISC PARTS	433658-6301 Special Department Supplies	TK1217A	4,000.00	14.96 127039/5	P09638	00082676	12/18/2013
MW OH	MC FADDEN-DALE HARDW V000635	MISC PARTS	433658-6301 Special Department Supplies	TK1217A	20.47	127674/5	P09638	00082676	12/18/2013
				Vendor Total:	35.43				
MW IP	MORENO, TANIA V007723	REIMBURSEMENT-MILEAGE	101512-6250 Staff Training	ITK1219C	105.56	121813	P09807	00082725	12/19/2013
MW OH	NELSON, SCOTT V003479	TRAVEL REIMBURSEMENT	101001-6245 Meetings & Conferences	TK1217A	105.56	65.80 120313	P09752	00082677	12/18/2013
				Vendor Total:	65.80				
MW IP	OCCMA V000736	HOLIDAY LUNCHEON	101511-6245 Meetings & Conferences	ITK1219C	195.00	112513	P09732	00082726	12/19/2013
				Vendor Total:	195.00				
MW IP	OFFICE INDUSTRIES V007477	RECYCLED PAPER	374386-6315 Office Supplies	ITK1219C	244.13	044591	P08886	00082727	12/19/2013
MW IP	OFFICE INDUSTRIES V007477	RECYCLED PAPER	374386-6315 Office Supplies	ITK1219C	244.13	044649	P08886	00082727	12/19/2013
MW OH	OFFICE INDUSTRIES V007477	RECYCLED PAPER	374386-6315 Office Supplies	TK1217A	244.13	044694	P08886	00082678	12/18/2013
MW OH	OFFICE INDUSTRIES V007477	RECYCLED PAPER	374386-6315 Office Supplies	TK1217A	244.13	044738	P08886	00082678	12/18/2013
MW OH	OFFICE INDUSTRIES V007477	RECYCLED PAPER	374386-6315 Office Supplies	TK1217A	244.13	044785	P08886	00082678	12/18/2013
MW IP	OFFICE INDUSTRIES V007477	RECYCLED PAPER	374386-6315 Office Supplies	ITK1219C	244.13	044838	P08886	00082727	12/19/2013
MW IP	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	103650-6315 Office Supplies	ITK1219C	23.57	0447461	P08944	00082727	12/19/2013

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MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	103650-6315 Office Supplies	TK1217A	14.23	0447881	P08944	00082678	12/18/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	103650-6315 Office Supplies	TK1217A	34.65	0448111	P08944	00082678	12/18/2013
MW IP	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	102020-6315 Office Supplies	ITK1219C	48.32	0448201	P09126	00082727	12/19/2013
MW IP	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	102020-6315 Office Supplies	ITK1219C	57.34	0448511	P09126	00082727	12/19/2013
MW OH	OFFICE INDUSTRIES V007477	OFFICE SUPPLIES	101572-6315 Office Supplies	TK1217A	99.26	442641	P09768	00082678	12/18/2013
Vendor Total:					1,742.15				
MW IP	ONE STOP PARTS SOURCE V007231	CREDIT	433658-6134 Vehicle Repair & Maintenance	ITK1219C	-81.00	189202	P09178	00082728	12/19/2013
MW IP	ONE STOP PARTS SOURCE V007231	CREDIT	433658-6134 Vehicle Repair & Maintenance	ITK1219C	-1.97	249583	P09178	00082728	12/19/2013
MW IP	ONE STOP PARTS SOURCE V007231	VEHICLE PARTS	433658-6134 Vehicle Repair & Maintenance	ITK1219C	-79.48	255381	P09178	00082728	12/19/2013
MW IP	ONE STOP PARTS SOURCE V007231	VEHICLE PARTS	433658-6134 Vehicle Repair & Maintenance	ITK1219C	136.06	255869	P09178	00082728	12/19/2013
MW IP	ONE STOP PARTS SOURCE V007231	CREDIT	433658-6134 Vehicle Repair & Maintenance	ITK1219C	-52.35	256042	P09178	00082728	12/19/2013
MW IP	ONE STOP PARTS SOURCE V007231	VEHICLE PARTS	433658-6134 Vehicle Repair & Maintenance	ITK1219C	94.07	257319	P09178	00082728	12/19/2013
MW IP	ONE STOP PARTS SOURCE V007231	VEHICLE PARTS	433658-6134 Vehicle Repair & Maintenance	ITK1219C	71.28	258380	P09178	00082728	12/19/2013
MW IP	ONE STOP PARTS SOURCE V007231	VEHICLE PARTS	433658-6134 Vehicle Repair & Maintenance	ITK1219C	14.30	260799	P09178	00082728	12/19/2013
MW IP	ONE STOP PARTS SOURCE V007231	VEHICLE PARTS	433658-6134 Vehicle Repair & Maintenance	ITK1219C	374.86	260969	P09178	00082728	12/19/2013
Vendor Total:					475.77				
MW OH	ONWARD ENGINEERING	NOV CONSTRUCTION MANAGEM	333552-6185 / 6102040017-6185	TK1217A	400.00	2396	P09635	00082679	12/18/2013

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	V008092		Construction Services						
			Vendor Total:		400.00				
MW OH	ORANGE COUNTY EMPLOY P/E 12/7/13 PD DATE 12/13/13 V000699		0010-2176 PCEA/OCEA Assoc Dues	PY025	236.86	2610/1301025		00082641	12/13/2013
MW OH	ORANGE COUNTY EMPLOY P/E 12/7/13 PD DATE 12/13/13 V000699		0043-2176 PCEA/OCEA Assoc Dues	PY025	19.24	2610/1301025		00082641	12/13/2013
MW OH	ORANGE COUNTY EMPLOY P/E 12/7/13 PD DATE 12/13/13 V000699		0037-2176 PCEA/OCEA Assoc Dues	PY025	6.27	2610/1301025		00082641	12/13/2013
MW OH	ORANGE COUNTY EMPLOY P/E 12/7/13 PD DATE 12/13/13 V000699		0048-2176 PCEA/OCEA Assoc Dues	PY025	17.82	2610/1301025		00082641	12/13/2013
MW OH	ORANGE COUNTY EMPLOY P/E 12/7/13 PD DATE 12/13/13 V000699		0029-2176 PCEA/OCEA Assoc Dues	PY025	8.41	2610/1301025		00082641	12/13/2013
MW OH	ORANGE COUNTY EMPLOY P/E 12/21/13 PD DATE 12/27/13 V000699		0037-2176 PCEA/OCEA Assoc Dues	PY13026	5.77	2610/1301026		00082752	12/27/2013
MW OH	ORANGE COUNTY EMPLOY P/E 12/21/13 PD DATE 12/27/13 V000699		0048-2176 PCEA/OCEA Assoc Dues	PY13026	18.76	2610/1301026		00082752	12/27/2013
MW OH	ORANGE COUNTY EMPLOY P/E 12/21/13 PD DATE 12/27/13 V000699		0043-2176 PCEA/OCEA Assoc Dues	PY13026	19.24	2610/1301026		00082752	12/27/2013
MW OH	ORANGE COUNTY EMPLOY P/E 12/21/13 PD DATE 12/27/13 V000699		0010-2176 PCEA/OCEA Assoc Dues	PY13026	236.19	2610/1301026		00082752	12/27/2013
MW OH	ORANGE COUNTY EMPLOY P/E 12/21/13 PD DATE 12/27/13 V000699		0029-2176 PCEA/OCEA Assoc Dues	PY13026	8.64	2610/1301026		00082752	12/27/2013
			Vendor Total:		577.20				
MW IP	ORANGE COUNTY FIRE AU] VEHICLE REPLACEMENT FUND 13 503901-6842 V000704		Vehicles	ITK1219C	35,292.50	S0271160	P09739	00082729	12/19/2013
MW IP	ORANGE COUNTY FIRE AU] 2ND QTR FIRE & PARAMEDIC CHA V000704		Fire Authority Services	ITK1219C	1,281,765.75	S0271160	P09739	00082729	12/19/2013
MW IP	ORANGE COUNTY FIRE AU] PLACENTIA FACILITIES MAINT V000704		Repair & Maint/Facilities	ITK1219C	5,222.00	S0271160	P09739	00082729	12/19/2013
			Vendor Total:		1,322,280.25				

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MW IP	ORANGE COUNTY HONDA V008818	MOTORCYCLE REPAIR	433658-6290 Dept. Contract Services	ITK1219C	136.35	77403	P08975	00082730	12/19/2013
				Vendor Total:	136.35		P09808	00082731	12/19/2013
MW IP	ORANGE COUNTY REGISTE V003211	NOV LEGAL ADVERTISING	101002-6225 Advertising/Promotional	ITK1219C	435.61	113013	P09808	00082731	12/19/2013
				Vendor Total:	435.61		P09733	00082732	12/19/2013
MW IP	ORANGE COUNTY SHERIFF V007556	SUPERVISOR COURSE REG-GLOE	103041-6250 Staff Training	ITK1219C	134.00	6129	P09733	00082732	12/19/2013
				Vendor Total:	134.00			00082680	12/18/2013
MW OH	ORANGE COUNTY TREASURY V007306	NOV PARKING CITATIONS	0044-2038 Parking Fines	TK1217A	3,512.50	12513		00082680	12/18/2013
				Vendor Total:	3,512.50		P09814	00082733	12/19/2013
MW IP	PACIFIC SYSTEMS ELECTRI V003450	ALARM MONITORING SYSTEM CE	433658-6290 Dept. Contract Services	ITK1219C	425.00	14897	P09814	00082733	12/19/2013
				Vendor Total:	425.00		P09057	00082734	12/19/2013
MW IP	PARKHOUSE TIRE INC V004472	TIRES	433658-6134 Vehicle Repair & Maintenance	ITK1219C	3,169.62	1020125550	P09057	00082734	12/19/2013
				Vendor Total:	3,169.62		P09755	00082735	12/19/2013
MW IP	PASCARELLA, RICHARD V002546	BACKGROUND INVEST REIMBUR	103040-6250 Staff Training	ITK1219C	182.25	4932	P09755	00082735	12/19/2013
				Vendor Total:	182.25		P09796	00082681	12/18/2013
MW OH	PASCARELLA, RICHARD V002546	SUMMER 2013 TUITION REIMBUR	431010-5150 Tuition Reimbursement	TK1217A	578.24	111813	P09796	00082681	12/18/2013
				Vendor Total:	578.24		P09796	00082681	12/18/2013
MW OH	PASCARELLA, RICHARD V002546	FALL 2013 TUITION REIMBURSEM	431010-5150 Tuition Reimbursement	TK1217A	1,246.50	111813	P09796	00082681	12/18/2013
				Vendor Total:	1,246.50			00082642	12/13/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 12/7/13 PD DATE 12/13/13	0048-2176 PCEA/OCEA Assoc Dues	PY025	1.85	2615/1301025		00082642	12/13/2013
				Vendor Total:	1.85			00082642	12/13/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 12/7/13 PD DATE 12/13/13	0010-2176 PCEA/OCEA Assoc Dues	PY025	24.61	2615/1301025		00082642	12/13/2013
				Vendor Total:	24.61			00082642	12/13/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 12/7/13 PD DATE 12/13/13	0037-2176	PY025	0.66	2615/1301025		00082642	12/13/2013
				Vendor Total:	0.66			00082642	12/13/2013

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	V000679		PCEA/OCEA Assoc Dues						
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 12/7/13 PD DATE 12/13/13	0029-2176 PCEA/OCEA Assoc Dues	PY025	0.88	2615/1301025		00082642	12/13/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 12/7/13 PD DATE 12/13/13	0043-2176 PCEA/OCEA Assoc Dues	PY025	2.00	2615/1301025		00082642	12/13/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 12/21/13 PD DATE 12/27/13	0037-2176 PCEA/OCEA Assoc Dues	PY13026	0.60	2615/1301026		00082753	12/27/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 12/21/13 PD DATE 12/27/13	0043-2176 PCEA/OCEA Assoc Dues	PY13026	2.00	2615/1301026		00082753	12/27/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 12/21/13 PD DATE 12/27/13	0048-2176 PCEA/OCEA Assoc Dues	PY13026	1.95	2615/1301026		00082753	12/27/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 12/21/13 PD DATE 12/27/13	0029-2176 PCEA/OCEA Assoc Dues	PY13026	0.90	2615/1301026		00082753	12/27/2013
MW OH	PCEA C/O NORTH ORANGE V000679	P/E 12/21/13 PD DATE 12/27/13	0010-2176 PCEA/OCEA Assoc Dues	PY13026	24.55	2615/1301026		00082753	12/27/2013
			Vendor Total:		60.00				
MW IP	PDA INC V007820	APPRAISAL SERVICES	404582-6025 Third Party Administration	ITK1219C	110.00	912-143561	P09804	00082736	12/19/2013
			Vendor Total:		110.00				
MW OH	PERRY, BRIAN V002942	FALL TUITION REIMBURSEMENT	431010-5150 Tuition Reimbursement	TK1217A	2,964.75	112613	P09789	00082682	12/18/2013
			Vendor Total:		2,964.75				
MW OH	PLACENTIA POLICE MANAC V000839	P/E 12/7/13 PD DATE 12/13/13	0010-2180 Police Mgmt Assn Dues	PY025	1,000.28	2625/1301025		00082643	12/13/2013
MW OH	PLACENTIA POLICE MANAC V000839	P/E 12/21/13 PD DATE 12/27/13	0010-2180 Police Mgmt Assn Dues	PY13026	1,000.28	2625/1301026		00082754	12/27/2013
			Vendor Total:		2,000.56				
MW OH	PLACENTIA POLICE OFFICE V003519	P/E 12/7/13 PD DATE 12/13/13	0050-2178 Placentia Police Assoc Dues	PY025	94.70	2620/1301025		00082644	12/13/2013
MW OH	PLACENTIA POLICE OFFICE	P/E 12/7/13 PD DATE 12/13/13	0010-2178	PY025	2,928.58	2620/1301025		00082644	12/13/2013

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	V003519		Placentia Police Assoc Dues						
MW OH	PLACENTIA POLICE OFFICE	P/E 12/21/13 PD DATE 12/27/13	0010-2178	PY13026	2,928.58	2620/1301026		00082755	12/27/2013
	V003519		Placentia Police Assoc Dues						
MW OH	PLACENTIA POLICE OFFICE	P/E 12/21/13 PD DATE 12/27/13	0050-2178	PY13026	94.70	2620/1301026		00082755	12/27/2013
	V003519		Placentia Police Assoc Dues						
			Vendor Total:		6,046.56				
MW OH	PLACENTIA YORBA LINDA	CITYWIDE PRINTING SVS	431010-6230	TK1217A	712.80	410507	P08890	00082683	12/18/2013
	V000794		Printing & Binding						
			Vendor Total:		712.80				
MW IP	PRINCIPAL LIFE	DEC DENTAL PREMIUMS	395000-4720	ITK1212B	564.48	DEC 2013		00082634	12/12/2013
	V008141		ISF Dental Ins Reimbursement						
MW IP	PRINCIPAL LIFE	DEC DENTAL PREMIUMS	395083-5162	ITK1212B	666.40	DEC 2013		00082634	12/12/2013
	V008141		Dental Insurance Premiums						
			Vendor Total:		1,230.88				
MW OH	PSYCH CONSULT ASSOC. IN NOV PRE-EMPLOYMENT EXAM		101512-6099	TK1217A	350.00	0002474A	P09767	00082684	12/18/2013
	V009259		Other Professional Services						
			Vendor Total:		350.00				
MW OH	PTM GENERAL ENGINEERIN	NOV-DEC INSTALL SIGNS-SAFE R	333552-6185 / 6111440151-6185	TK1217A	47,178.26	1209131321	P09114	00082685	12/18/2013
	V008977		Construction Services						
MW OH	PTM GENERAL ENGINEERIN	NOV-DEC INSTALL SIGNS-SAFE R	333552-6185 / 6111440011-6185	TK1217A	5,242.03	1209131321	P09114	00082685	12/18/2013
	V008977		Construction Services						
			Vendor Total:		52,420.29				
MW IP	RAILPROS INC	NOV QUIET ZONE UPDATE SVS	333552-6015 / 6105615155-6015	ITK1219C	375.54	CPQZ_201311	P09111	00082737	12/19/2013
	V009100		Engineering Services						
			Vendor Total:		375.54				
MW IP	REPUBLIC WASTE SERVICE	NOV REFUSE COLLECTION	374386-6101	ITK1219C	207,715.41	NOVEMBER 13	P09118	00082738	12/19/2013
	V007205		Disposal						
MW IP	REPUBLIC WASTE SERVICE	OCT REFUSE COLLECTION	374386-6101	ITK1219C	207,715.41	OCTOBER 13	P09118	00082738	12/19/2013
	V007205		Disposal						

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				Vendor Total:	415,430.82				
MW OH	REYES, ZORINA V002159	DEPOSIT REFUND-BACKS BLDG	100000-4385 / 79161-4385 Facility Rental	TK1217A	150.00	91365		00082686	12/18/2013
				Vendor Total:	150.00				
MW IP	RIPPETOE MILES LLP V008778	OCT LEGAL SERVICES:BILOTTA	404582-6006 / 10037-6006 Litigation	ITK1219C	629.90	120031	P09803	00082739	12/19/2013
				Vendor Total:	629.90				
MW OH	SANTIAGO ROOFING V001614	ROOFING BOND REFUND #30-13-4	0044-2033 Construction & Demo Deposit	TK1217A	100.00	30-13-44	P09757	00082687	12/18/2013
				Vendor Total:	100.00				
MW OH	SCIENTIA CONSULTING GRI V005617	OCT MDC MAINT SVS	103043-6099 Other Professional Services	TK1217A	1,254.00	7139	P08921	00082688	12/18/2013
MW OH	SCIENTIA CONSULTING GRI V005617	NOV MDC MAINT SVS	103043-6099 Other Professional Services	TK1217A	1,254.00	7183	P08921	00082688	12/18/2013
MW OH	SCIENTIA CONSULTING GRI V005617	DEC MDC MAINT SVS	103043-6099 Other Professional Services	TK1217A	1,254.00	7184	P08921	00082688	12/18/2013
				Vendor Total:	3,762.00				
MW IP	SHRED-IT LOS ANGELES V000905	SHRED DOCUMENTS	374386-6299 Other Purchased Services	ITK1219C	86.67	9402907555	P08883	00082740	12/19/2013
				Vendor Total:	86.67				
MW OH	SIGALOS, DENNIS A. V007072	JAN-MARCH LEASE-166 E. LA JOLI	103041-6160 Facility Rental	TK1217A	15,913.50	120313	P09753	00082689	12/18/2013
				Vendor Total:	15,913.50				
MW OH	SOLOMON, BARBARA V009263	CLASS REFUND	100000-4340 / 79344-4340 Recreation Programs	TK1217A	47.00	91419		00082690	12/18/2013
				Vendor Total:	47.00				
MW OH	SOUTH COAST AQMD V001190	ICE EM PORT DIESEL	433654-6137 Repair Maint/Equipment	TK1217A	317.07	2655788	P09726	00082691	12/18/2013
MW OH	SOUTH COAST AQMD	EMISSIONS FEE	433654-6137	TK1217A	117.87	2656945	P09726	00082691	12/18/2013

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	V001190		Repair Maint/Equipment						
		Vendor Total:			434.94				
MW IP	SOUTHERN CALIFORNIA EI V000910	OCT-DEC ELECTRICAL CHARGES	103552-6330 Electricity	ITK1212B	6.79	121013		00082635	12/12/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	OCT-DEC ELECTRICAL CHARGES	296561-6330 Electricity	ITK1212B	128.79	121013		00082635	12/12/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	OCT-DEC ELECTRICAL CHARGES	286560-6330 Electricity	ITK1212B	29,790.40	121013		00082635	12/12/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	OCT-DEC ELECTRICAL CHARGES	431010-6330 Electricity	ITK1212B	12,590.24	121013		00082635	12/12/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	OCT-DEC ELECTRICAL CHARGES	296561-6330 Electricity	ITK1219C	159.15	121413		00082741	12/19/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	OCT-DEC ELECTRICAL CHARGES	0010-1228 AR/County of Orange	ITK1219C	15.64	121413		00082741	12/19/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	OCT-DEC ELECTRICAL CHARGES	0010-1226 AR/City of Yorba Linda	ITK1219C	116.58	121413		00082741	12/19/2013
MW IP	SOUTHERN CALIFORNIA EI V000910	OCT-DEC ELECTRICAL CHARGES	431010-6330 Electricity	ITK1219C	10,287.21	121413		00082741	12/19/2013
		Vendor Total:			53,094.80				
MW IP	SPRINT V006126	NOV RELAY SERVICES	431010-6215 Telephone	ITK1212B	582.58	9511113100073		00082636	12/12/2013
		Vendor Total:			582.58				
MW OH	STONE, CHRISTIAN V009267	DEPOSIT REFUND-TYNES GYM	100000-4385 / 79191-4385 Facility Rental	TK1217A	100.00	91425		00082692	12/18/2013
		Vendor Total:			100.00				
MW IP	SULLY MILLER CONTRACTI V008986	CONTINGENCY	333552-6185 / 6103440600-6185 Construction Services	ITK1219C	14,815.67	205187	P09215	00082742	12/19/2013
MW IP	SULLY MILLER CONTRACTI V008986	CONTINGENCY	333552-6185 / 6103440020-6185 Construction Services	ITK1219C	14,815.66	205187	P09215	00082742	12/19/2013
MW IP	SULLY MILLER CONTRACTI V008986	RETENTION PAYMENT-VALENCIA	333552-6185 / 6113040998-6185	ITK1219C	1,751.50	205187A	P09805	00082742	12/19/2013

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	V008986		Construction Services						
	Vendor Total:				31,382.83				
MW OH	SYNOPTTEK INC V007863	OCT IT SUPPORT SVS	422023-6290 Dept. Contract Services	TK1217A	8,000.98	220807	P08929	00082693	12/18/2013
MW OH	SYNOPTTEK INC V007863	NOV IT SUPPORT SVS	422023-6290 Dept. Contract Services	TK1217A	7,137.50	221074	P08929	00082693	12/18/2013
MW OH	SYNOPTTEK INC V007863	BACKUP SERVER PROJECT	333523-6840 / 30028-6840 Machinery & Equipment	TK1217A	5,834.68	221058	P09008	00082693	12/18/2013
MW IP	SYNOPTTEK INC V007863	FIREWALL MAINTENANCE	422023-6136 Software Maintenance	ITK1219C	3,382.40	221266	P09709	00082743	12/19/2013
MW OH	SYNOPTTEK INC V007863	AUG-OCT ANTI-VIRUS PROTECTIC	422023-6136 Software Maintenance	TK1217A	1,417.50	221059	P09748	00082693	12/18/2013
	Vendor Total:				25,773.06				
MW IP	T-MOBILE V004339	NOV CELL PHONE CHARGES	431010-6215 Telephone	ITK1212B	791.39	120213		00082637	12/12/2013
MW IP	T-MOBILE V004339	NOV CELL PHONE CHARGES	431010-6215 Telephone	ITK1212B	1,247.15	120213A		00082637	12/12/2013
MW IP	T-MOBILE V004339	NOV PD CELL PHONE CHARGES	431010-6215 Telephone	ITK1212B	699.99	120213B		00082637	12/12/2013
	Vendor Total:				2,738.53				
MW IP	TALX UC eXpress V002944	DEC-FEB UNEMPLOYMENT CLAIM	404581-6025 Third Party Administration	ITK1219C	217.78	1483489	P09817	00082744	12/19/2013
	Vendor Total:				217.78				
MW OH	TEDORO, FELIX V009268	DEPOSIT REFUND-BACKS BLDG	100000-4385 / 79161-4385 Facility Rental	TK1217A	10.00	91420		00082694	12/18/2013
MW OH	TEDORO, FELIX V009268	DEPOSIT REFUND-BACKS BLDG	100000-4385 / 79161-4385 Facility Rental	TK1217A	140.00	91421		00082694	12/18/2013
	Vendor Total:				150.00				
MW OH	THE KARAGINES FAMILY T V007073	JAN-MARCH LEASE-166 E. LA JOLI	103041-6160 Facility Rental	TK1217A	15,913.50	120313	P09756	00082695	12/18/2013

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MW IP	TRAFFIC MANAGEMENT V008463	TRAFFIC CONE RENTALS	0044-2067 /79392-2067 Heritage Committee	Vendor Total: ITK1212B	15,913.50 2,950.00	174544A		00082638	12/12/2013
MW OH	TRILLIUM V007952	NOV CNG FUEL	433658-6345 Gasoline & Diesel Fuel	Vendor Total: TK1217A	2,950.00 42.69	6712	P09690	00082696	12/18/2013
MW IP	TRIPEI SMITH & ASSOCIA V007848	DEC IT CONSULTING	422023-6290 Dept. Contract Services	Vendor Total: ITK1219C	42.69 1,156.25	868	P09515	00082745	12/19/2013
MW OH	TURBO DATA SYSTEMS INC V001238	NOV CITATION PROCESSING	103041-6099 Other Professional Services	Vendor Total: TK1217A	1,156.25 893.55	20888	P08918	00082697	12/18/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 12/7 PD 12/13	0043-2126 Employee PARS/ARS W/H	Vendor Total: TK1217A	893.55 12.41	121313I		00082698	12/18/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 12/7 PD 12/13	0010-2126 Employee PARS/ARS W/H	TK1217A	884.14	121313I		00082698	12/18/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 12/7 PD 12/13	0043-2131 Employer PARS/ARS Payable	TK1217A	12.41	121313I		00082698	12/18/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 12/7 PD 12/13	0010-2131 Employer PARS/ARS Payable	TK1217A	884.14	121313I		00082698	12/18/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 12/7 PD 12/13	0010-2131 Employer PARS/ARS Payable	TK1217A	29.47	121313J		00082698	12/18/2013
MW OH	US BANK PARS #6746022400 V008781	PARS/ARS P/E 12/7 PD 12/13	0010-2126 Employee PARS/ARS W/H	TK1217A	29.47	121313J		00082698	12/18/2013
MW OH	VANTAGEPOINT TRANSFER V007191	P/E 12/7/13 PD DATE 12/13/13	0010-2170 Deferred Comp Payable - ICMA	Vendor Total: PY025	1,852.04 1,166.59	2606/1301025		00082645	12/13/2013
MW OH	VANTAGEPOINT TRANSFER V007191	P/E 12/7/13 PD DATE 12/13/13	0048-2170 Deferred Comp Payable - ICMA	PY025	20.13	2606/1301025		00082645	12/13/2013

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MW OH	VANTAGEPOINT TRANSFER P/E 12/7/13 PD DATE 12/13/13 V007191		0029-2170 Deferred Comp Payable - ICMA	PY025	13.41 2606/1301025		00082645	12/13/2013
MW OH	VANTAGEPOINT TRANSFER P/E 12/21/13 PD DATE 12/27/13 V007191		0029-2170 Deferred Comp Payable - ICMA	PY13026	13.84 2606/1301026		00082756	12/27/2013
MW OH	VANTAGEPOINT TRANSFER P/E 12/21/13 PD DATE 12/27/13 V007191		0048-2170 Deferred Comp Payable - ICMA	PY13026	20.76 2606/1301026		00082756	12/27/2013
MW OH	VANTAGEPOINT TRANSFER P/E 12/21/13 PD DATE 12/27/13 V007191		0010-2170 Deferred Comp Payable - ICMA	PY13026	1,165.53 2606/1301026		00082756	12/27/2013
					Vendor Total:		2,400.26	
MW IP	VULCAN MATERIALS COME PAVING ASPHALT V001102		103652-6301 Special Department Supplies	ITK1219C	18.21 40141	P09322	00082746	12/19/2013
MW IP	VULCAN MATERIALS COME PAVING ASPHALT V001102		103652-6301 Special Department Supplies	ITK1219C	417.46 70170400	P09322	00082746	12/19/2013
MW IP	VULCAN MATERIALS COME PAVING ASPHALT V001102		103652-6301 Special Department Supplies	ITK1219C	406.62 70170401	P09322	00082746	12/19/2013
MW IP	VULCAN MATERIALS COME PAVING ASPHALT V001102		103652-6301 Special Department Supplies	ITK1219C	406.62 70172796	P09322	00082746	12/19/2013
MW IP	VULCAN MATERIALS COME PAVING ASPHALT V001102		103652-6301 Special Department Supplies	ITK1219C	406.62 70175331	P09322	00082746	12/19/2013
MW IP	VULCAN MATERIALS COME PAVING ASPHALT V001102		103652-6301 Special Department Supplies	ITK1219C	162.81 70188212	P09322	00082746	12/19/2013
MW IP	VULCAN MATERIALS COME PAVING ASPHALT V001102		103652-6301 Special Department Supplies	ITK1219C	407.43 70195262	P09322	00082746	12/19/2013
					Vendor Total:		2,225.77	
MW IP	WESTERN TRANSIT V008280	JULY SR. TRANSPORTATION SVS	504071-6401 / 79538-6401 Community Programs	ITK1219C	3,723.12 2.1994	P09779	00082747	12/19/2013
MW IP	WESTERN TRANSIT V008280	JULY SR. TRANSPORTATION SVS	194315-6401 / 79538-6401 Community Programs	ITK1219C	620.52 2.2001	P09779	00082747	12/19/2013
MW IP	WESTERN TRANSIT V008280	AUG SR. TRANSPORTATION SVS	504071-6401 / 79538-6401 Community Programs	ITK1219C	4,136.80 2.2008	P09779	00082747	12/19/2013
MW IP	WESTERN TRANSIT	AUG SR. TRANSPORTATION SVS	194315-6401 / 79538-6401	ITK1219C	413.68 2.2015	P09779	00082747	12/19/2013

**City of Placentia
Warrant Register
For 12/30/2013**

Type	Vendor Name/ID	Description	Account/Description	Batch ID	Amount	Invoice#	PO #	Check #	Check Date
	V008280		Community Programs						
MW IP	WESTERN TRANSIT V008280	SEPT SR. TRANSPORTATION SVS	504071-6401 / 79538-6401 Community Programs	ITK1219C	3,671.41	2.2022	P09779	00082747	12/19/2013
MW IP	WESTERN TRANSIT V008280	SEPT SR. TRANSPORTATION SVS	194315-6401 / 79538-6401 Community Programs	ITK1219C	620.52	2.2029	P09779	00082747	12/19/2013
MW IP	WESTERN TRANSIT V008280	OCT SR. TRANSPORTATION SVS	504071-6401 / 79538-6401 Community Programs	ITK1219C	4,085.09	2.2035	P09779	00082747	12/19/2013
		Vendor Total:			17,271.14				
MW OH	WILLDAN ENGINEERING V001127	NOV CONSTRUCTION MGMT-ROS	333552-6185 / 6109540020-6185 Construction Services	TK1217A	1,942.50	004-11976	P09268	00082699	12/18/2013
MW OH	WILLDAN ENGINEERING V001127	NOV CONSTRUCTION MGMT-ROS	333552-6185 / 6109540600-6185 Construction Services	TK1217A	1,942.50	004-11976	P09268	00082699	12/18/2013
MW OH	WILLDAN ENGINEERING V001127	SEPT TRAFFIC ENGINEERING	333523-6017 / 6108670159-6017 Special Studies	TK1217A	1,610.00	00612258	P09754	00082699	12/18/2013
		Vendor Total:			5,495.00				
MW OH	WOO, ROSA V009269	DEPOSIT REFUND-KRAEMER	100000-4385 / 79175-4385 Facility Rental	TK1217A	100.00	91426		00082700	12/18/2013
		Vendor Total:			100.00				
MW OH	YORBA LINDA WATER DIST V001148	WATER DIST NOV WATER CHARGES	431010-6335 Water	TK1217A	244.93	120913		00082701	12/18/2013
MW IP	YORBA LINDA WATER DIST V001148	WATER DIST NOV WATER CHARGES	431010-6335 Water	ITK1219C	1,115.52	121613		00082748	12/19/2013
		Vendor Total:			1,360.45				
		Type Total:			2,282,316.75				
		Warrant Total:			2,355,419.94				



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF PUBLIC WORKS

DATE: JANUARY 7, 2014

SUBJECT: APPROVE TURF REPLACEMENT DEMONSTRATION PROJECT WITH YORBA LINDA WATER DISTRICT AND AUTHORIZE AN AWARD OF CONTRACT TO OC TURF AND PUTTING GREENS, INC., IN AN AMOUNT NOT TO EXCEED \$56,303.50

FISCAL

IMPACT: EXPENSE: \$56,303.50
OFFSETTING REVENUE: \$56,303.50
BUDGETED: \$56,303.50 (ACCOUNT NO.: 503901-6131
J/L 61131)

SUMMARY:

The City of Placentia and Yorba Linda Water District (YLWD) have agreed to work cooperatively on a project that will replace existing turf located on center medians with artificial turf. Medians included in this project are located on Yorba Linda Boulevard between McCormack Lane and Linda Vista Street. The City of Placentia and Yorba Linda Water District Turf Replacement Demonstration Project reduces maintenance and water usage for the City. The project also assists YLWD in meeting Senate Bill x7-7 conservation requirements. The City solicited proposals from multiple providers and selected OC Turf and Putting Greens whose proposal included artificial turf that is lifelike, durable, and reasonably priced. This action will award a contract to OC Turf and Putting Greens, Inc., in the amount of \$56,303.50 to install artificial turf on Yorba Linda Boulevard medians.

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Approve a Cooperative Agreement between the City of Placentia and Yorba Linda Water District implementation of the City of Placentia and Yorba Linda Water District Turf Replacement Demonstration Project; and
2. Award a contract to OC Turf and Putting Greens, Inc., for installation of artificial turf in an amount not to exceed \$56,303.50; and
3. Authorize the City Administrator to sign the required documents in a form approved by the City Attorney; and

1.c.

January 7, 2014

4. Adopt Resolution R-2014- "A Resolution of the City Council of the City of Placentia, California authorizing a budget amendment in fiscal year 2013/14 in the aggregate amount of \$56,303.50 in compliance with City Charter §§ 1206 and 1209 pertaining to appropriations for actual expenditures".

DISCUSSION:

The City of Placentia and YLWD have agreed to work together on a Turf Replacement Demonstration Project on the medians located on Yorba Linda Boulevard between McCormack Lane and Linda Vista Street. The project will remove approximately 7,986 square feet of existing turf and replace it with artificial turf. All other existing landscape features will remain intact. The project will be promoted on the City's website to demonstrate savings in both maintenance costs and water conservation. The City and YLWD will not only be able to highlight the partnership but also the turf removal rebate program offered through the Municipal Water District of Orange County. Promotion of the project will encourage use of artificial turf or other water efficient landscape which in turn assists the YLWD in meeting its SB x7-7 conservation requirements. Senate Bill x7-7 enacted on November 9, 2009 mandated water conservation targets and efficiency improvements for water providers.

Several firms provided City Staff with samples of artificial turf. Based on the material provided, quality of the product, references, past experience with median work, and cost OC Turf and Putting Greens, Inc., was selected for the project. OC Turf and Putting Greens, Inc., is based in Laguna Niguel, California, with a facility located locally in Anaheim. Their proposal, references, and qualifications have been reviewed and approved by the Director of Public Works and staff at Yorba Linda Water District.

FISCAL IMPACT:

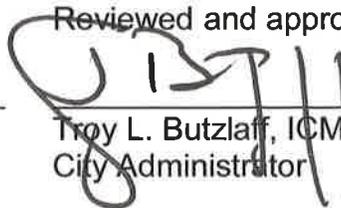
The Yorba Linda Water District has agreed to advance the City the total amount of construction funds needed for this project (\$56,303.50). The City of Placentia will pay Yorba Linda Water District one-half of the total construction cost. The total construction cost will be reduced by an unknown dollar amount for anticipated rebates as available from the Municipal Water District of Orange County. Payments to YLWD will be made in equal increments annually over a five-year time period. Community Facilities District surplus funds are proposed for funding the City share of this project.

Prepared by:



Steve Drinovsky
Director of Public Works

Reviewed and approved:



Troy L. Butzlaff, ICMA-CM
City Administrator

Attachments:

1. Draft Cooperative Agreement With Yorba Linda Water District
2. Draft Contract With OC Turf & Putting Greens
3. Fiscal Year 2013/14 Budget Amendment Resolution

**COOPERATIVE AGREEMENT
FOR CITY OF PLACENTIA AND YORBA LINDA WATER
DISTRICT TURF REPLACEMENT DEMONSTRATION PROJECT**

THIS COOPERATIVE AGREEMENT ("Agreement") is made as of this 7th day of January, 2014, by and between City of Placentia, a Charter City and a municipal corporation ("PLACENTIA"), and the Yorba Linda Water District, a municipal corporation ("YLWD")

RECITALS

- A. PLACENTIA and YLWD have certain real property interests described on the attached Exhibit "A" ("Property").
- B. The median islands are located within PLACENTIA and YLWD boundaries.
- C. To conserve water resources it is desired to remove and replace the existing turf (approximately 7,986 square feet of turf) on the medians located on Yorba Linda Boulevard between McCormack and Linda Vista with artificial turf. Remaining landscape features to remain intact. Estimate and project description is attached as Exhibit "B".
- D. The project serves as a demonstration project to highlight a partnership between PLACENTIA and YLWD to conserve water and eliminate the use of pesticides and fertilizers on median islands.
- E. This project benefits PLACENTIA through water conservation and reduced maintenance cost, while assisting YLWD to meet its SB x7 -7 conservation requirements.
- F. The YLWD Board has agreed to advance PLACENTIA the total amount of funds needed for construction of the City of Placentia and Yorba Linda Water District Turf Replacement Demonstration Project, hereinafter referred to as the "PROJECT".
- G. PLACENTIA will pay YLWD back one-half of the total construction cost in annual increments over a five-year period.
- H. PLACENTIA and YLWD have met and agree upon the PROJECT scope as described in "Exhibit "B" (attached).

NOW, THEREFORE, in consideration of the premises and the respective and mutual promises and agreements hereinafter set forth, said parties hereby promise and agree as follows:

- 1. PLACENTIA SHALL:
 - a. Prepare the plan, specifications, and estimate for the Project.
 - b. Have jurisdiction of the construction area during construction for the purposes of authority over all aspects of the Project, including the portion thereof within owned and maintained by YLWD.

- c. Be the construction agent for the parties to do and perform all acts necessary or required in order to construct the Project in accordance with plans and specifications, including material control, inspection of the work, and execution and delivery of documents necessary or required in completion of the Project, including notice of final inspection, certification of day labor, equipment, and material cost, and certification of the Project.
- d. Serve as lead agency as designated pursuant to the implementation of CEQA.
- e. Reimburse the District the total of one-half of the total construction cost in equal annual increments over a five-year period.

2. YORBA LINDA WATER DISTRICT SHALL:

- a. Review and approve plans and specifications as to constructability, operation, and maintenance of the Project as it relates to YLWD.
- b. Have access to the progress of construction for the purpose of inspection, and should YLWD deem any remedial measures necessary prior to PLACENTIA's acceptance of the work, YLWD shall notify PLACENTIA in writing.
- c. Advance to PLACENTIA the total amount needed for construction of the project (estimated to be \$57,000 after MWDOC rebate).

IT IS MUTUALLY AGREED by the parties hereto that:

- a. Both YLWD and PLACENTIA shall be named as additional insured on the contractor insurance policy.
- b. Neither YLWD, nor any officer or employee thereof, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by PLACENTIA under in or in connection with any work delegated to PLACENTIA under this agreement. It is also understood and agreed that, pursuant to Government Code Section 895.4, PLACENTIA shall defend, indemnify, and hold YLWD harmless from any liability imposed for injury (as defined by Government Code Section 810.08) occurring by reason anything done or omitted to be done by PLACENTIA under or in connection with any work delegated to PLACENTIA under this agreement.
- c. Language shall be added to Contract Agreement that Contractor shall indemnify, hold harmless, and defend the YLWD and its officials, employees, officers, and agents from any and all actions, suits, claims, and damages liabilities, including costs and attorney's fees, whether or not suit is actually filed, and any judgment rendered against District or District personnel, that may be asserted or claimed by any entity arising out of or in connection with the performance of the work, operations, or activities of Contractor pertaining to this Agreement to the extent caused by Contractor.

- d. Any proposed changes to the Project shall be provided in writing from PLACENTIA including the approved written consent of YLWD for any changes impacting Yorba Linda Water District costs.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

CITY OF PLACENTIA

YORBA LINDA WATER DISTRICT

City Administrator

General Manager

ATTEST:

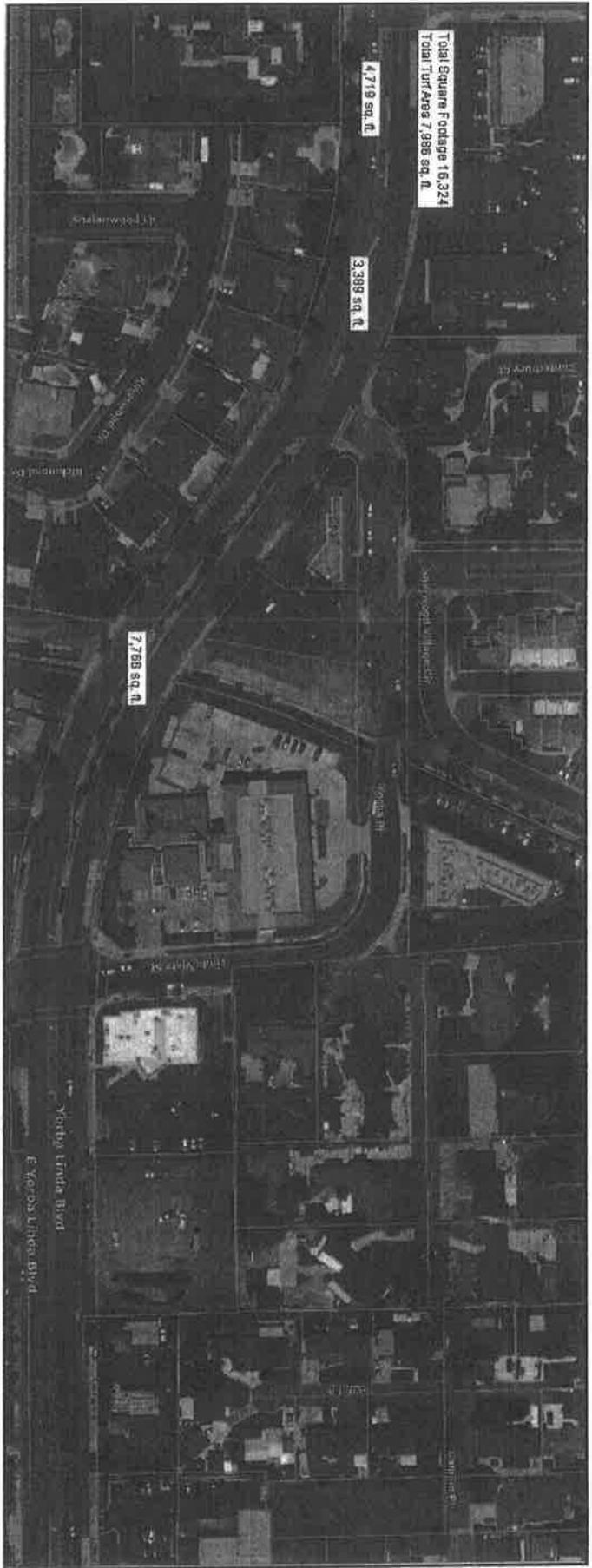
City Clerk
City of Placentia

Yorba Linda Water District

APPROVED AS TO FORM:

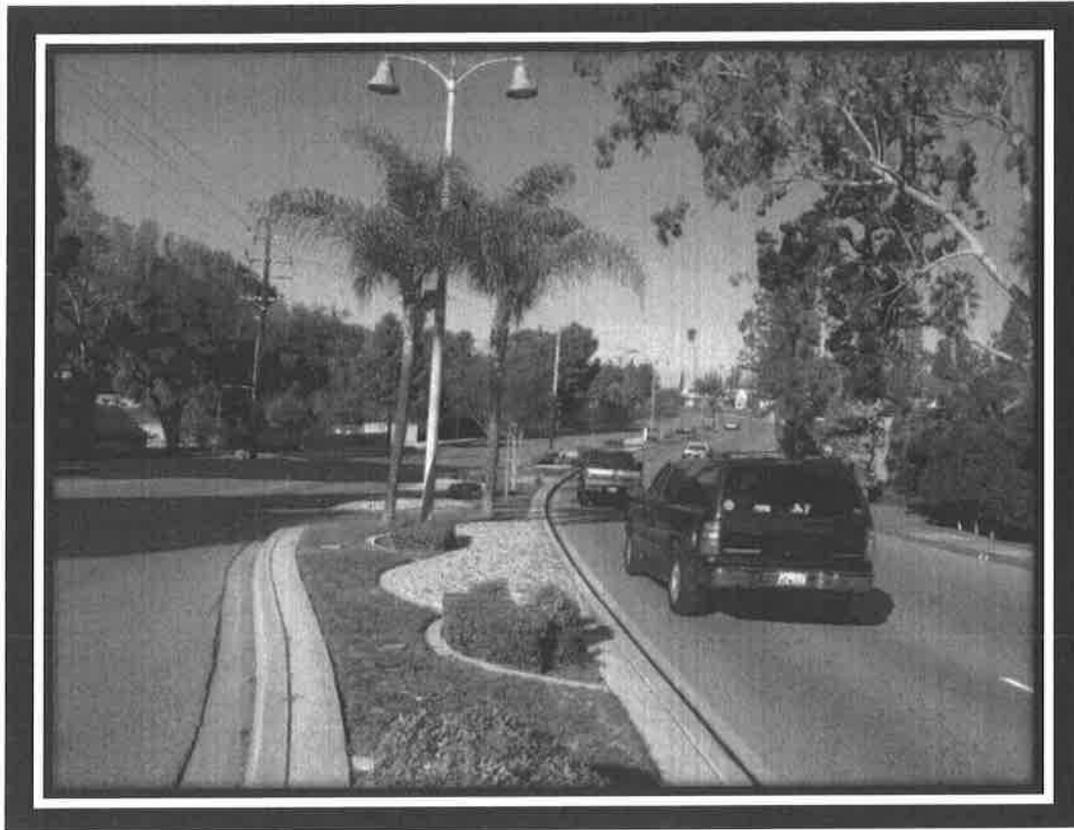
City Attorney

District Attorney



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City of Placentia and Yorba Linda Water District
Turf Replacement Demonstration Project



The City of Placentia would like to remove and replace the existing turf (approximately 7,986 square feet of turf) on the medians located on Yorba Linda Boulevard between McCormack and Linda Vista. The proposed project would remove existing turf and replace it with artificial turf (Tiger Turf Everglade Fescue Pro) the remaining landscape features would remain intact.

<u>Location</u>	<u>Median Island Square Footage</u>	<u>Turf Area</u>
McCormack to Linda Vista	4,719	1,650
McCormack to Linda Vista	3,389	418
McCormack to Linda Vista	7,766	5,918
Total	15,874	7,986

Proposed Project Cost and Savings Projection

<u>Item</u>	<u>Amount</u>
Project Cost	\$57,898.50
Turf Removal Rebate	(\$7,986.00)
Total Upfront Cost	\$49,912.50
Estimated Annual Savings - \$5,100 per year	\$5,100

This project would serve as a water conservation demonstration project and would be promoted on the City's website. This demonstration project would highlight the use of artificial turf and the projected water savings. The City will be able to not only highlight the partnership with Yorba Linda Water District but also the turf removal rebate offered through the Municipal Water District of Orange County. Residents can see significant water savings by taking advantage of existing rebate programs as outdoor single-family residential water use for turf and landscape irrigation is estimated

City of Placentia and Yorba Linda Water District
Turf Replacement Demonstration Project

at 31.7 gallons per capita per day.¹ By promoting this project, residents will be more apt to install artificial turf or other water efficient landscape, which in turn will assist the District in meeting its SB x7-7 conservation requirements.

Artificial turf has a measurable, positive impact on the environment. In addition to water savings, installing artificial turf eliminates the need for harmful pesticides and fertilizers, helps to reduce noxious emissions from lawnmowers, and eliminates greenwaste disposal (which is the third largest component of municipal solid waste).

Financing Options

Due to the City's current financial situation, the following project financing options are presented below:

- 1) *Advance the City the total amount needed for the project, with the City paying the District back over time with water savings; or*
 - 2) *The City of Placentia and the Yorba Linda Water District share the cost of the project; or*
 - 3) *The Yorba Linda Water District pays for the entire project and the City will promote the project.*
-

Questions related to this project can be directed to Antonia Graham, at acgraham@placentia.org

¹ Vickers, Amy. *Handbook of Water Use and Conservation* (Amherst: WaterPlow Press, 2001), 15.

Yorba Linda Boulevard Medians

Location	Median Island Square Footage	Turf Area	Water District
Bradford to Kraemer	1,981	791	Golden State
Bradford to Kraemer	2,869	748	Golden State
Kraemer to Palm	5,941	2117	Golden State
Palm to Brookhaven	3,318	952	Golden State
Palm to Brookhaven	6,692	1,650	Golden State
Brookhaven to Valencia	4,180	2,486	Golden State
Valencia to Seville	8,283	4,554	Golden State
McCormack to Linda Vista	4,719	1,650	YLWD
McCormack to Linda Vista	3,389	418	YLWD
McCormack to Linda Vista	7,766	5,918	YLWD
Total	49,138	21,284	

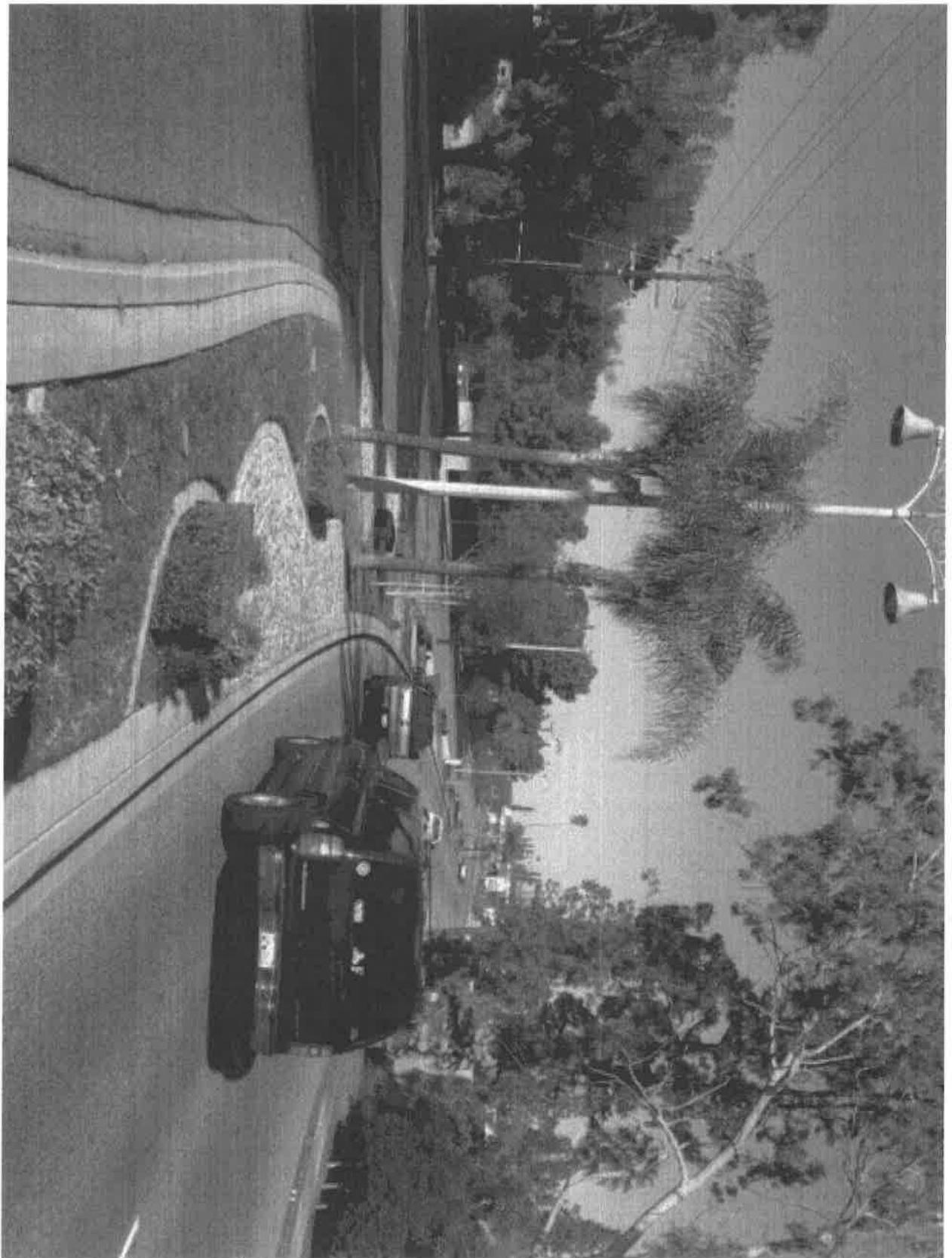
Turf Details

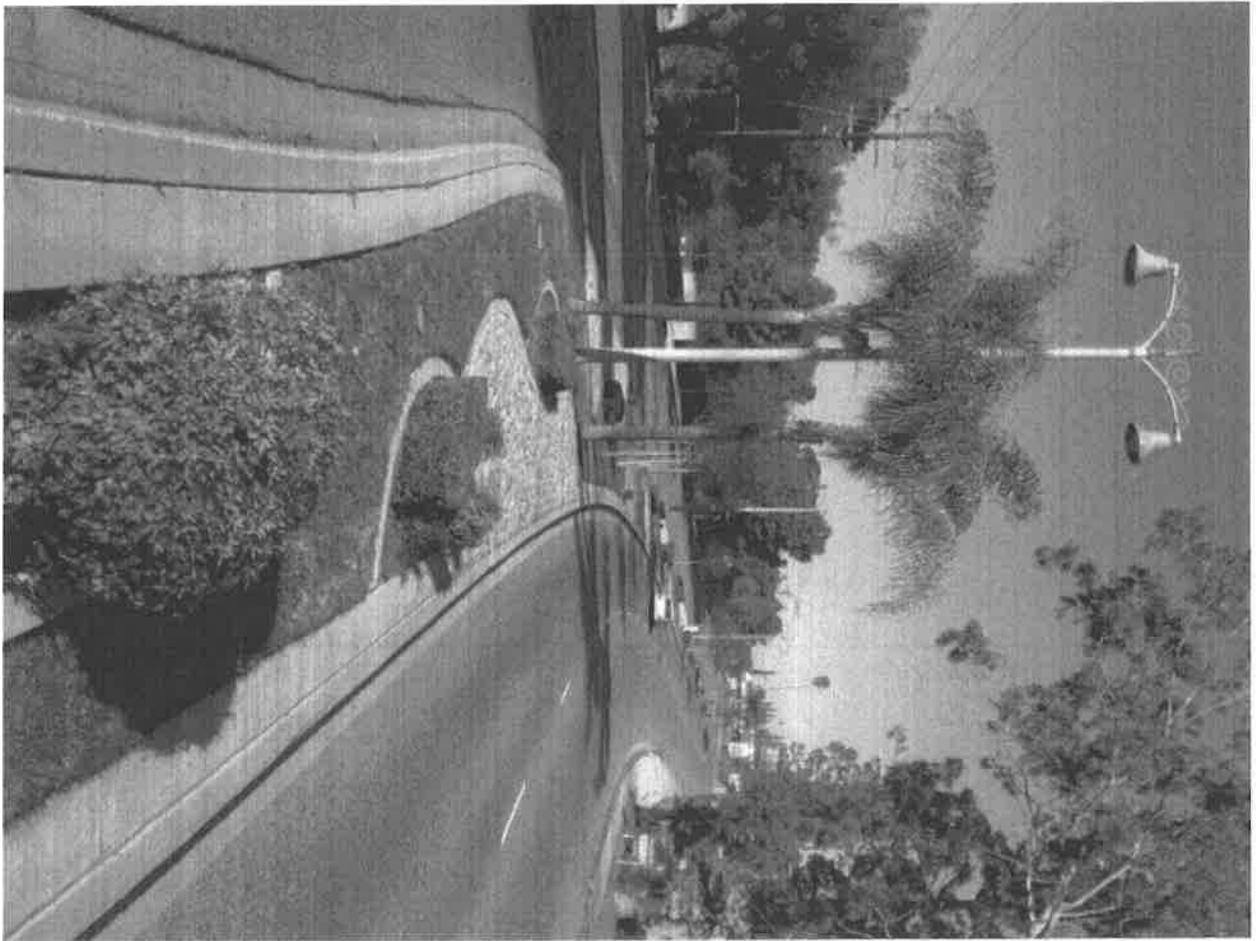
The preferable turf selected by the Public Works Department is the Tiger Turf Everglade Fescue Pro. This turf is \$2.69 per square foot. This does not include installation which is priced separately. On January 31, 2013 the City met with the Tiger Turf installer to get an accurate quote for the Yorba Linda medians. Staff should have this quote by early next week.

In December, Easy Turf provided the City with a quote of \$182,380 for removal and replacement of 22,000 sq. ft. of turf. The total square feet of turf needed for the medians located within the Yorba Linda Water District boundary is 7,986. Using the estimate given above the total amount needed to replace the turf within the YLWD boundary is approximately **\$66,203.94**.









Yorba Linda Boulevard Medians

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Bradford to Kraemer	1,981	791	Golden State
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McCormack to Linda Vista	3,389	418	YLWD
McCormack to Linda Vista	7,766	5,918	YLWD
Total	49,138	21,284	

Turf Details

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OC Turf and Putting Greens

24548 Sunshine Dr.
Laguna Niguel, CA 92677
Lic.C-27 & D-12 # 941912

Phone # 714-290-2082
Fax # 949-495-4047

www.octurfandputtinggreens....



Estimate

Date	Estimate #
1/29/2013	1007

Name / Address
City of Placentia Antonia Castro-Graham 401 East Chapman Ave. Placentia, Ca. 92870

			Project
Description	Qty	Rate	Total
Job site: Yorba Linda Blvd. Mediums From: Mc Cormack to Linda Vista		0.00	0.00
		0.00	0.00
Remove existing turf and soil down to allow approx. 3 inches of base, haul the dirt and grass away.		0.00	0.00
Cap irrigation system.		0.00	0.00
Install bubblers for trees in grass areas as needed.		0.00	0.00
Install bender boards as needed		0.00	0.00
Compact existing natural soil where required - import the base - compact - level and sculpt or properly grade to allow proper water run off.		0.00	0.00
Grade sub base towards existing water drains to allow proper drainage.		0.00	0.00
Turf style (Diamond Light Fescue 65oz. face weight). We cut a little bit longer on the edges to allow a perfect edge tucking finish, this step along with proper sculpting are key to achieving a natural appearance.		0.00	0.00
We use 6" nails every 4 inches on all the edges, seams and in the field every 3 ft. apart disbursed in a random pattern.		0.00	0.00
Power broom the turf to bloom the blades upright.		0.00	0.00
Infill the turf with Sand using 1 pound per square foot ratio.		0.00	0.00
Groom it again for final touch.		0.00	0.00
Clean and remove all debris and air blow the entire area.		0.00	0.00
Approx. Sq.Ft. 7,766 Sq.Ft.	7,766	7.25	56,303.50
Note: For every tree in the Turf area, we will installed bender board and a buubler. \$30.00 Per Tree.		0.00	0.00
Total			\$56,303.50

**TURF REPLACEMENT DEMONSTRATION PROJECT
AGREEMENT**

THIS AGREEMENT is made and entered into this 7th day of January, 2014, by and between the CITY OF PLACENTIA, a Charter City and Municipal Corporation, hereinafter referred to as "City" and OC Turf and Putting Greens, Inc., a California Corporation, hereinafter referred to as "Contractor". City and Contractor are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties".

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, City and Contractor agree as follows:

1. General Conditions

Contractor certifies and agrees that all the terms, conditions, and obligations of the Agreement Documents as hereinafter defined, the location of the job site, and the conditions under which the work is to be performed have been thoroughly reviewed, and enters into this Agreement based upon Contractor's investigation of all such matters and is in no way relying upon City's opinions or representations. Should Contractor discover any latent or unknown conditions materially differing from those inherent in the work or as represented by City, it shall immediately inform City of this and shall not proceed with further work under this Agreement until written instructions are received from the City.

The Parties agree that this Agreement represents the entire agreement between the Parties. The Agreement Documents are defined as and include the Notice to Contractors and Request For Proposals, the Contract Documents, the Contractor's Proposal, the General Provisions, the Special Provisions, the Specifications and Drawings, any of the other Contract Documents and all addenda issued by City with respect to the foregoing prior to the opening of bids. The Parties agree that the Agreement Documents are each incorporated into this Agreement by reference, with the same force and effect as if the same were set forth at length herein, and that Contractor and its subcontractors, if any, will be and are bound by any and all of the Agreement Documents insofar as they relate in any part or in any way, directly or indirectly, to the work covered by this Agreement.

"Project" as used herein defines the entire scope of the work covered by all the Agreement Documents. Anything mentioned in the Specifications and not indicated in the Drawings, or indicated in the Drawings and not mentioned in the Specifications, shall be of like effect as if indicated and mentioned in both. In case of discrepancy in the Drawings or Specifications, the matter shall be immediately submitted to the City's Public Works Director, without whose decision Contractor shall not adjust the discrepancy save only at Contractor's own risk and expense. The decision of the Public

Works Director shall be final.

2. Materials and Labor

Contractor shall furnish, under the conditions expressed in the Agreement Documents, at Contractor's own expense, all labor and materials necessary, except such as are mentioned in the Specifications to be furnished by City, to construct and complete the Project, in good workmanlike and substantial order. If Contractor fails to pay for labor or materials when due, City may settle such claims by making demand upon the surety to this Agreement. In the event of the failure or refusal of the surety to satisfy said claims, City may settle them directly and deduct the amount of payments from the Agreement price and any amounts due to Contractor. In the event City receives a stop notice from any laborer or material supplier alleging non-payment by Contractor, City shall be entitled to deduct all of its costs and expenses incurred relating thereto, including but not limited to administrative and legal fees. Nothing in this Agreement shall be deemed to limit the legal and/or equitable remedies available to City.

3. Project

The Maintenance Project is described as:

TURF REPLACEMENT

4. Plans and Specifications

The work to be done is shown in a set of Drawings and Specifications located within the Request for Proposals entitled:

CITY OF PLACENTIA AND YORBA LINDA DISTRICT TURF REPLACEMENT DEMOSTRATION PROJECT

The Drawings and Specifications and any revisions and amendments of addenda thereto are incorporated herein as part of this Agreement and referred to by reference.

5. Time of Commencement and Completion

Contractor agrees to commence the Project on the date set forth in the "Notice to Proceed" sent by City and shall diligently prosecute the work to completion within **thirty (30)** working days from the date of the "Notice to Proceed" issued by City excluding delays caused or authorized by City as set forth in §§ 8, 9, and 10 hereof.

Contractor Initials

City Initials

6. Legal Relationship between the Parties

A. The legal relationship between the Parties hereto is that of an independent contractor, and nothing herein shall be deemed to make Contractor a City employee. During the performance of this Agreement, Contractor and its officers, employees, agents, and subcontractors shall act in an independent capacity and shall not act as City officers, employees, or agents. The personnel performing the Services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officers, employees, agents, or subcontractors shall have control over the conduct of Contractor or any of its officers, employees, or agents, except as set forth in this Agreement. Contractor, its officers, employees, agents, or subcontractors shall not maintain an office or any other type of fixed business location at City's offices.

B. Contractor shall not incur or have the power to incur any debt, obligation, or liability against City, or bind City in any manner.

C. No City benefits shall be available to Contractor, its officers, employees, agents, or subcontractors in connection with any performance under this Agreement. Except for fees paid to Contractor as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Contractor for the performance of Services under this Agreement. City shall not be liable for compensation or indemnification to Contractor, its officers, employees, agents, or subcontractors for injury or sickness arising out of performing Services hereunder.

7. Time is of the Essence

Time is of the essence of this Agreement. As required by the Agreement Documents, Contractor shall prepare and obtain approval of all shop drawings, details and samples, and do all other things necessary and incidental to the prosecution of Contractor's work in conformance with an approved construction progress schedule. Contractor shall coordinate the work covered by this Agreement with that of all other contractors, subcontractors and City, in a manner that will facilitate the efficient completion of the entire work in accordance with § 5 herein. City shall have complete control of the premises on which the work is to be performed and shall have the right to decide the time or order in which the various portions of the work shall be installed or the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly conduct of the work of Contractor on the premises.

8. Excusable Delays

Contractor shall be excused for any delay in the prosecution or completion of the Project caused by acts of God; inclement weather which exceeds the number of calendar days estimated by City and set forth in § 5 hereof; damages caused by fire or other casualty for which Contractor is not responsible; any act, neglect, or default of City; failure of City to make timely payments to Contractor; late delivery of materials required by this Agreement to be furnished by City; combined action of the workers in

no way caused by or resulting from default or collusion on the part of Contractor; a lockout by City; or any other delays reasonably unforeseen by Contractor and beyond Contractor's reasonable control.

City shall extend the time fixed in § 5 for completion of the project by the number of days Contractor has thus been delayed, provided that Contractor presents a written request to City for such time extension within fifteen (15) days of the commencement of such delay and City finds that the delay is justified. City's decision will be conclusive on the Parties to this Agreement. Failure to file such request within the time allowed shall be deemed a waiver of the claim by Contractor.

No claims by Contractor for additional compensation or damages for delays will be allowed unless Contractor satisfies City that such delays were unavoidable and not the result of any action or inaction of Contractor and that Contractor took all available measures to mitigate such damages.

9. Extra Work

The Agreement price as set forth in § 13, includes compensation for all work performed by Contractor, unless Contractor obtains a written change order signed by City Engineer or Director of Public Works specifying the exact nature of the extra work and the amount of extra compensation to be paid as more particularly set forth in § 10 hereof.

City shall extend the time fixed in § 5 for completion of the project by the number of days reasonably required for Contractor to perform the extra work, as determined by the City Engineer. The decision of the City Engineer shall be final.

10. Changes in Project

- A. City may at any time, without notice to any surety, by written order designated or indicated to be a change order, make any change in the work within the general scope of this Agreement, including but not limited to changes:
 1. In the Drawings and Specifications;
 2. In the time, or in the method or manner of performance of the work;
 3. In City-furnished facilities, equipment, materials, services, or site; or
 4. Directing acceleration in the performance of the work.
- B. A change order shall also be any other written order (including direction, instruction, interpretation, or determination) from City which causes any change, provided Contractor gives City written notice stating the date, circumstances, and source of the order and that Contractor regards the order as a change order.

- C. Except as provided in this section, no order, statement, or conduct of City or its representatives shall be treated as a change under this section or entitle Contractor to an equitable adjustment.
- D. If any change under this section causes an increase or decrease in Contractor's actual direct cost or the time required to perform any part of the work under this Agreement, whether or not changed by any order, City shall make an equitable adjustment and modify this Agreement in writing. Except for claims based on defective specifications, no claim for any change under paragraph (B) above shall be allowed for any costs incurred more than 20 days before Contractor gives written notice as required in paragraph (B). In the case of defective specifications for which City is responsible, the equitable adjustment shall include any increased direct cost Contractor reasonably incurs in attempting to comply with those defective specifications.
- E. If Contractor intends to assert a claim for an equitable adjustment under this section, it must, within 15 days after receipt of a written change order under paragraph (A) or the furnishing of a written notice under paragraph (B), submit a written statement to City setting forth the general nature and monetary extent of such claim. City may extend the 15-day period. Any such extension shall be valid only if in writing. Contractor may include the statement of claim in the notice under paragraph (B) of this section.
- F. No claim by Contractor for an equitable adjustment shall be allowed if made after final payment under this Agreement.
- G. Contractor hereby agrees to make any and all changes, furnish the materials, and perform the work that City may require without nullifying this Agreement. Contractor shall adhere strictly to the Drawings and Specifications unless a change therefrom is authorized in writing by City. Under no condition shall Contractor make any changes to the project, either in additions or deductions, without the written order of City, and City shall not pay for any extra charges made by Contractor that have not been agreed upon in advance in writing by City. Contractor shall submit immediately to City written copies of its firm's cost or credit proposal for any change in the work. Disputed work shall be performed as ordered in writing by City and the proper cost or credit breakdowns therefore shall be submitted without delay by Contractor to City.

11. Ownership of Documents

The documents and study materials for this project shall become the property of City upon the termination or completion of the work. Contractor agrees to furnish to City

copies of all memoranda, correspondence, computation, and study materials in its files pertaining to the work described in this Agreement, which is requested in writing by City.

12. Liquidated Damages for Delay

The Parties agree that if the total work called for under this Agreement, in all parts and requirements, is not completed within the time specified in § 5 plus the allowance made for delays or extensions authorized under §§ 8, 9, and 10, City will sustain damage, which would be extremely difficult and impracticable to ascertain. The Parties therefore agree that Contractor shall pay to City the sum of Five Hundred Dollars (\$500.00) per day, as liquidated damages, and not as a penalty, for each and every calendar day during which completion of the project is so delayed. The Parties agree that if the interim completion requirements are not reached within the time specified in the Drawings and Specifications, plus the allowances made for delays and extensions under the terms of this Agreement, Contractor shall pay City the sum of Five Hundred Dollars (\$500.00) per day, as liquidated damages, and not as a penalty for each day of delay in reaching the interim completion date(s). Contractor agrees to pay such liquidated damages and further agrees that City may offset the amount of liquidated damages from any monies due or that may become due Contractor under this Agreement.

13. Agreement Price and Method of Payment

City agrees to pay and Contractor agrees to accept as full consideration for the faithful performance of this Agreement, subject to any subsequent additions or deductions as provided in approved change orders, the sum of **\$56,303.50, (Fifty-Six Thousand Three Hundred Three Dollars and Fifty-Cents)** as itemized in Contractor's Proposal attached as Exhibit "A" hereto.

Within thirty (30) days from the commencement of work and the receipt by City of Contractor's invoice, there shall be paid to Contractor a sum equal to ninety percent (90%) of the value of the actual work completed plus a like percentage of the value of material suitably stored at the worksite or approved storage yards subject to or under the control of City, since the commencement of the work as determined by City.

Thereafter, Contractor may submit monthly statements requesting payment based upon the value of the work completed and materials used. The monthly statements must include a detailed breakdown of all work completed and materials used during the period covered by the statement, as may be required by City. Upon approval of such payment request by City, payment shall be made to Contractor for ninety-five percent (95%) of the work completed and materials used. City shall retain five percent (5%) of the amount of each such progress estimate and material cost until the Final Payment.

Payments shall be made on demands drawn in the manner required by law, accompanied by a certificate signed by the City's Public Works Director, stating that the work for which payment is demanded has been performed in accordance with the terms

of this Agreement and that the amount stated in the certificate is due under the terms of this Agreement. Partial payments on the Agreement price shall not be considered as an acceptance of any part of the work.

The City may withhold all or part of any progress payments to such extent as may be necessary to protect the City from losses on account of:

- A. Defective work not remedied;
- B. Claims filed or reasonable evidence indicating probable filing of claims;
- C. Failure of the Contractor to make payments properly to subcontractors for material or labor;
- D. A reasonable doubt that the contract can be completed for the balance then paid;
- E. Damage to another Contractor; and/or
- F. Default of the Contractor in the performance of the terms and/or conditions of the Contract.

Any subcontractor, material supplier, or workman, or anyone else having any claim against the Contractor for or on account of work done or material furnished for the performance of the work provided for hereunder, may give notice of said claim and of the amount thereof to the City, who may, but shall not be obliged to, thereupon withhold any and all payments due or to become due thereafter to the Contractor until said claims are adjusted and paid. The provisions of this article shall not lessen or diminish, but shall be in addition to, the right or duty of the City to withhold any payments under the provisions of the laws of the State of California requiring the withholding of sums due to the Contractor.

14. Substitution of Securities in Lieu of Retention of Funds

Pursuant to Public Contract Code § 22300, *et seq.*, Contractor shall be entitled to post approved securities with City or an approved financial institution in order to have City release funds retained by City to insure performance of this Agreement. Contractor shall be required to execute an addendum to this Agreement together with escrow instructions and any other documents in order to effect this substitution.

15. Completion

Within ten (10) days after the Agreement completion date of the project, Contractor shall file with the City's City Engineer its affidavit stating that all workers and persons employed, all firms supplying materials, and all subcontractors upon the project have been paid in full, and that there are no claims outstanding against the project for either labor or material, except those certain items, if any, to be set forth in an affidavit covering disputed claims, or items in connection with Stop Notices which have been filed under the provisions of the statutes of the State of California. City may require affidavits or certificates of payment and/or releases from any subcontractor, laborer, or material supplier.

16. Contractor's Employees Compensation

A. General Prevailing Rate:

City has ascertained from the State of California Director of Industrial Relations, the general prevailing rate of per diem wages and the general prevailing rate for legal holiday and overtime work in the locality in which the work is to be performed for each craft or type of work needed to execute this Agreement, and copies of the same are on file in the City Public Works Director's office. Contractor agrees that no less than these prevailing rates shall be paid to workers employed on this public works contract as required by California Labor Code § 1774. If both Federal and State wage rates are otherwise applicable, then the higher of the two shall prevail.

B. Forfeiture for Violation:

Contractor shall, as a penalty to City, forfeit fifty dollars (\$50.00) for each calendar day or portion thereof for each worker paid (either by Contractor or any subcontractor under it) less than the prevailing rate of per diem wages as set by the Director of Industrial Relations, in accordance with California Labor Code §§ 1770 through 1780 for the work provided for in this Agreement, all in accordance with California Labor Code § 1775.

C. Apprentices:

California Labor Code §§ 1777.5, 1777.6, and 1777.7, regarding the employment of apprentices are applicable to this Agreement and Contractor shall comply therewith if the prime contract involves thirty thousand dollars (\$30,000.00) or more, twenty (20) working days or more, or if contracts of specialty contractors not bidding for work through the general or prime contractor are two thousand dollars (\$2,000.00) or more or five (5) working days or more.

D. Workday:

In the performance of this Agreement, not more than eight (8) hours shall constitute a day's work, and Contractor shall not require more than eight (8) hours of labor in a day from any person employed by him hereunder except as provided in paragraph (B) above. Contractor shall conform to California Labor Code § 1810, *et seq.*, and shall forfeit to City as a penalty, the sum of twenty-five dollars (\$25.00) for each worker employed in the execution of work pursuant to this Agreement by Contractor or any subcontractor for each

calendar day during which any worker is required or permitted to labor more than eight (8) hours in any one calendar day and forty (40) hours in any one week in violation of such provision. Contractor shall keep an accurate record showing the name and actual hours worked each calendar day and each calendar week by each worker employed by Contractor in connection with this Project.

E. Record of Wages; Inspection:

Contractor agrees to maintain accurate payroll records showing the name, address, social security number, work classification, straight-time, and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by it in connection with the Project and agrees to require that each of its subcontractors does the same. All payroll records shall be certified as accurate by the applicable Contractor or subcontractor or its agent having authority over such matters. Contractor further agrees that its payroll records and those of its subcontractors shall be available to the employee or employee's representative, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards and shall comply with California Labor Code § 1776, *et seq.*

17. Surety Bonds

Contractor shall, before entering upon the performance of this Agreement furnish bonds approved by City's Attorney; one in the amount of One Hundred Percent (100%) percent of the contract price bid to guarantee the faithful performance of the work, and the other in the amount of One Hundred Percent (100%) of the contract price bid to guarantee payment of all claims for labor and materials furnished. This Contract shall not become effective until such bonds are supplied to and approved by City. Bonds must be issued by a surety authorized by the State Insurance Commissioner to do business in California. The labor and material bond shall be maintained by Contractor in full force and effect until the work has been completed and accepted by City and all claims for labor and material have been paid. The performance bond shall remain in full force and effect through the warranty period. All bonds required to be submitted relating to this Agreement must comply with California Code of Civil Procedure § 995.630. Each bond shall be executed in the name of the surety insurer, under penalty of perjury, or the fact of execution of each bond shall be duly acknowledged before an officer authorized to take and certify acknowledgements, and either one of the following conditions shall be satisfied:

- A. A copy of the transcript or record of the unrevoked appointment, power of attorney, by-laws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer entitling or authorizing the person who executed the bond to do so for and on behalf of the insurer, is on file in the Office of the County Clerk of the

County of Orange; or

- B. A copy of a valid power of attorney is attached to the bond.

18. Insurance

- A. Contractor is aware of the provisions of California Labor Code § 3700 that requires every employer to be insured against liability for workers' compensation or undertake self-insurance in accordance with the provisions of that Code and will comply with such provisions before commencing the performance of the work of this Agreement.

Contractor, prior to commencing work, shall sign and file with CITY a certification as follows:

"I am aware of the provisions of § 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Agreement."

- B. Contractor and all subcontractors shall carry workers' compensation insurance for the protection of their respective employees during the progress of the work. The insurer shall waive its rights of subrogation against City, its officers, agents, and employees and shall issue an endorsement certificate to the policy evidencing same.
- C. Contractor agrees that it shall, at all times during the term of this Agreement, carry on all operations hereunder, comprehensive or commercial general liability insurance, including bodily injury, death, and property damage, and automotive operations. All insurance coverage of the above-required types, shall be in amounts specified by City in the Insurance Requirements, set forth in Subparagraph E below, and in the Bid Documents, and shall be evidenced by the issuance of a certificate in a form prescribed by City and shall be underwritten by insurance companies satisfactory to City for all operations, subcontract work, contractual obligations, product or completed operations, all owned vehicles and non-owned vehicles. All insurance coverage obtained by Contractor, excepting workers' compensation coverage, shall name City, its City Council Members, Officers, Agents, Employees, Engineers, and Contractors for this Agreement, as determined by City, as additional insured by endorsement to the policies.
- D. Before Contractor performs any work at, or prepares or delivers materials to, the site of construction, Contractor shall furnish certificates of insurance evidencing the foregoing insurance

coverages and such certificates shall provide the name and policy number of each carrier and policy and that the insurance is in force and will not be canceled without thirty (30) days' written notice to City.

- E. Contractor shall maintain all of the foregoing insurance coverages in force until the work under this Agreement is fully completed. The requirement for carrying the foregoing insurance shall not derogate from the provisions for indemnification of City by Contractor under § 19 of this Agreement. Notwithstanding nor diminishing the obligations of Contractor with respect to the foregoing, Contractor shall subscribe for and maintain in full force and effect during the life of this Agreement, the following insurance in amounts not less than the amounts specified and issued by a company admitted in California and having an A.M. Best's Guide Rating of "A-" Class VII or better. City recognizes that State Compensation Insurance Fund has withdrawn from participation in the A.M. Best's Rating Guide process. Nevertheless, City will accept State Compensation Insurance Fund for the required policy of worker's compensation insurance, subject to City's option, at any time during the term of this Contract, to require a change in insurer upon twenty (20) days written notice. Further, City will require Contractor to substitute any insurer whose rating drops below the levels herein specified. The substitution shall occur within twenty (20) days of written notice to Contractor, by City or its agent.

Contractor shall maintain the following insurance:

1. Workers' Compensation, in accordance with the Workers' Compensation Act of the State of California in at least the minimum amounts required by law.
2. Public Liability in the form of either Comprehensive General Liability or Commercial General Liability written on a per occurrence basis in the amount of either: \$1,000,000 Combined Single Limit, per occurrence for bodily injury, death, and property damage; or \$1,000,000 per occurrence with \$1,000,000 aggregate for bodily injury, death, and property damage; or \$1,000,000 aggregate, separate for this project for bodily injury, death and property damage
3. Automobile Liability, including non-owned and hired vehicles in the amount of \$1,000,000 combined single limit per occurrence.

City or its representatives shall at all times have the right to inspect and receive the original or a certified copy of all said policies of insurance, including certificates and endorsements. Contractor shall pay the premiums on the insurance hereinabove required.

19. Indemnity

Contractor agrees to save, indemnify, and keep City, its Council Members, Officers, Agents, Employees, Engineers, and Contractors for this Agreement, harmless against any and all liability, claims, judgments, costs, and demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation arising through the negligence or willful misconduct of City and will make good to and reimburse City for any expenditures, including reasonable attorneys' fees, City may incur by reason of such matters, and if requested by City, will defend any such suits at the sole cost and expense of Contractor. Contractor further agrees to promptly pay any judgment rendered against the Contractor or City covering such liability, claims, costs, and demands arising out of the obligations herein undertaken or out of the operations conducted by Contractor.

In the event Contractor or its insurer refuses or fails to provide a legal defense to City after receiving written notice of the legal action and a tender and demand for defense, City shall have the right to select counsel of its own choice to represent all City's interests. Contractor agrees that the amount of legal costs and expenses including attorneys' fees may be withheld by City from any Agreement amounts due and owing to Contractor until such time as a final determination is made as to the responsibility for payment of the fees and costs.

20. Termination

- A. City may terminate this Agreement for its convenience at any time, in whole or in part, without cause, by giving Contractor written notice thereof.
- B. City may terminate this Agreement for Contractor's default if a federal or state proceeding for the relief of debtors is undertaken by or against Contractor, or if Contractor makes an assignment for the benefit of creditors, or if Contractor breaches any term(s) or violates any provision(s) of this Agreement and does not cure such breach or violation within ten (10) calendar days after written notice thereof by City. Contractor shall be liable for any and all reasonable costs incurred by City as a result of such default including, but limited to, procurement costs of the same or similar services defaulted by Contractor under this Agreement.
- C. If City terminates this Agreement, an equitable adjustment in the price provided for in this Agreement shall be made, but (1) no amount shall be allowed for unperformed services or work, or for anticipated profit on unperformed services or other work, and (2) any payment due to Contractor at the time of termination may be adjusted to cover any additional costs to City because of Contractor's default. The

equitable adjustment shall include a reasonable profit for services or other work performed, but no adjustment will be allowed for anticipated profits. The equitable adjustment for any termination shall provide for payment to Contractor for services rendered and expenses incurred prior to the termination, in addition to termination settlement costs reasonably incurred by Contractor relating to commitments which had become firm prior to the termination. Thereafter Contractor shall have no further claims against City under this Agreement.

- D. Upon receipt of a termination notice, Contractor shall (1) promptly discontinue all affected work (unless the notice directs otherwise), and (2) deliver or otherwise make available to City all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by Contractor in performing this Agreement whether completed or in process.
- E. Upon termination, City may take over the work and may award another party an agreement to complete the work under this Agreement.

21. Waiver

Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

22. Notices

All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, delivered or sent by electronic transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) three (3) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by electronic transmission. Any notice, request, demand, direction, or other communication sent by electronic transmission must be confirmed within forty-eight (48) hours by letter mailed or delivered. Notices or other communications shall be addressed as follows:

If to City: City of Placentia
401 East Chapman Avenue
Placentia, CA 92870
Attention: City Engineer

If to Contractor: OC Turf and Putting Greens
24548 Sunshine Dr.
Laguna Niguel, CA 92677
Attention: David Vega

Either Party may, by written notice to the other, designate a different address, which shall be substituted for that specified above.

23. Licenses and Qualifications

Contractor represents and warrants to City that it has obtained all licenses, permits, qualifications, and approvals of whatever nature that is legally required to practice its profession. Contractor represents and warrants to City that Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit or approval which is legally required for Contractor to perform its professional duties under this Agreement.

24. Warranty

Contractor agrees to perform all work under this Agreement in accordance with City's designs, drawings, and specifications.

Contractor guarantees for a period of at least one (1) year from the date of substantial completion with beneficial occupancy of the work as mutually agreed by the Parties or the date of acceptance of the project as completed by City, that the completed work is free from all defects due to faulty materials, equipment, or workmanship and that it shall promptly make whatever adjustments or corrections which may be necessary to cure any defects, including repairs of any damage to other parts of the system resulting from such defects. City shall promptly give notice to Contractor of observed defects. In the event that Contractor fails to make adjustments, repairs, corrections, or other work made necessary by such defects, City may do so and charge Contractor the cost incurred. The performance bond shall remain in full force and effect through the guarantee period.

Contractor's obligations under this clause are in addition to Contractor's other express or implied assurances under this Agreement or state law and in no way diminish any other rights that City may have against the Contractor for faulty materials, equipment, or work.

25. Assignments

No assignment by Contractor of this Agreement or any part hereof, or of funds to

be received hereunder, will be recognized by City unless such assignment has had prior written approval and consent of City and the surety.

26. Successors in Interest

This Agreement shall be binding upon and ensure to the benefit of the Parties' successors and assignees.

27. Compliance with Law

Contractor certifies by the execution of this Agreement that it pays employees not less than the minimum wage as defined by law, and that it does not discriminate in its employment with regard to race, color, religion, sex, or national origin; that Contractor is in compliance with all federal and state laws, local directives, and executive orders regarding non-discrimination in employment; and that Contractor agrees to demonstrate positively and aggressively the principle of equal opportunity in employment.

28. Jurisdiction

This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement, all Parties having been represented by counsel in the negotiation and preparation hereof. Any litigation concerning this Agreement shall take place in the Municipal, Superior, or Federal District Court, as appropriate, with jurisdiction over the City of Placentia.

29. Dispute Resolution

City and Contractor shall comply with the provisions of California Public Contracts Code § 20104, *et seq.*, regarding resolution of construction claims for any claims, which arise between City and Contractor.

30. Safety and Health

Contractor acknowledges the provisions of California Labor Code § 6400, *et seq.*, which requires that employers shall furnish employment and a place of employment that is safe and healthful for all employees working therein. City shall have the authority to enter the worksite at any time for the purpose of identifying the existence of conditions, either actual or threatened that may present a danger or hazard to any and all employees. In the event City identifies the existence of any condition that presents an actual or threatened danger or hazard to any or all employees at the worksite, City is hereby authorized to order the immediate abatement of that actual or threatened condition pursuant to this section. City may also, at its sole authority and discretion, issue an immediate stop work order to Contractor to ensure that no

employee working at the worksite is exposed to a dangerous or hazardous condition. Any stop work order issued by City to Contractor in accordance with the provisions of this section, shall not give rise to any claim or cause of action for delay damages by Contractor or Contractor's agents or subcontractors against City.

31. Agreement Execution Authorization

Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Agreement and that such execution is binding upon the entity for which he or she is executing this document.

32. Entire Agreement

This Agreement constitutes the entire understanding and agreement of the Parties hereto and supersedes all previous negotiations, discussions, and agreements between the Parties with respect to the subject matter hereof. No parol evidence shall be permitted to contradict or vary the terms of this Agreement.

33. Severability

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be invalid under the applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement.

34. Conflicts

To the extent that there is any conflict between the provisions of this Agreement and the City's Request for Proposals, the Contractor's Proposal and/or any of the other Agreement Documents, the terms and conditions of this IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first hereinabove written.

CITY OF PLACENTIA

By: _____
Troy L. Butzlaff, City Administrator

ATTEST:

By: _____
Patrick J. Melia, City Clerk

APPROVED AS TO FORM:

By: _____
Andrew V. Arczynski,
City Attorney

By _____
, President

By _____
, Vice President



INSURANCE REQUIREMENTS FOR CITY CONTRACTS

Instructions to Contractors/Vendors/Service Providers:

Prior to commencing any work, all contractors, vendors and service providers shall procure and maintain, at their own cost and expense for the duration of their contract with the City, appropriate insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work or services. **Any insurance proceeds available to City in excess of the limits and coverage required in this Agreement and which is applicable to a given loss, will be available to City.**

Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to the required general liability policy, shall be delivered to City at or prior to the execution of the contract. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under the contract and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by the contractor, vendor or service provider or deducted from sums due the contractor, vendor or service provider, at City's option.

The types of insurance required and the coverage amounts are specified below:

A. Minimum Scope of Insurance Required

1. **General Liability Insurance** is required whenever the City is at risk of third-party claims which may arise out of work or presence of a contractor, vendor and service provider on City premises. At a minimum this policy shall:
 - be written on a per occurrence basis; and
 - include products and completed operations liability, independent contractors liability, broad form contractual liability, and cross liability protection.
 - **General Liability Insurance shall be provided using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or equivalent as approved by Risk Manager. Defense costs must be paid in addition to limits.**

There shall be no cross liability exclusion for claims or suits by one insured against another.

2. **Automobile Liability Insurance** is required only when vehicles are used by a contractor, vendor or service provider in their scope of work or when they are driven off-road on City property. Compliance with California law requiring auto liability insurance is mandatory and cannot be waived. At a minimum this policy shall:
 - be written on a per occurrence basis;
 - include coverage for Bodily Injury and Property Damage, Owned, Non-owned and Hired Vehicles; and
 - include coverage for owned, non-owned, leased and hired vehicles.
 - **Automobile Liability Insurance shall be on ISO Business Auto Coverage form CA 00 01, including symbol 1 (Any Auto), or equivalent as approved by the Risk Manager.**

If an automobile is not used in connection with the services provided by the contractor, vendor or service provider, a written request to waive this requirement must be made to the Risk Manager.

3. **Workers' Compensation and Employer's Liability Insurances** is required for any contractor, vendor or service provider that has any employees at any time during the period of this contract. Contractors with no employees must complete a Request for Waiver of Workers' Compensation Insurance Requirement form available from the City's Risk Manager. At a minimum, this policy shall:
 - provide statutory requirements of the State of California; and
 - include \$1,000,000 Employer's Liability.
4. **Errors and Omissions (if applicable)** coverage is required for licensed or other professional contractors doing design, architectural, engineering or other services that warrant such insurance. At a minimum this policy shall:
 - cover liability for malpractice or errors and omissions made in the course of rendering professional services.
 - **be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under the contract. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of the contract.**

B. Minimum Limits of Insurance Coverage Required

Under \$25,000	Limits TBD by Risk Manager
Over \$25,000 to \$5,000,000	\$1 Million per Occurrence/\$2 Million Aggregate
Over \$5 Million	Limits TBD by Risk Manager

Umbrella excess liability may be used to reach the limits required by the specific contract.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. Each such policy shall contain a provision obligating insurer at the time insured's liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of contractor, vendor or service provider, subconsultants, subcontractors or others involved in the work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein.

Additional insurance requirements may be imposed by the City for services or products that have a higher risk. Refer to the City's Risk Manager for information of the insurance requirements for the following types of services or products:

1. Construction contracts which are awarded or administered through City departments other than the Public Works Department;
2. Medical, excavation, drilling, trenching or shoring services, or services involving explosives or pyrotechnics;
3. Environmental consulting, engineering or related services or operations;
4. Custom manufactured products;
5. Products or services involving firearms, tobacco, alcohol, or controlled substances;
6. Any unusual or high-risk activities, operations or products.

C. General Standards for Insurance Policies:

All insurance policies shall meet the following general standards:

1. Insurance carrier is to be placed with duly licensed or approved non-admitted insurers in the State of California.
2. Insurers must have a Best's rating of B+, Class VII or higher (this rating includes those insurers with a minimum policyholder's surplus of \$50 to \$100 million). Exceptions to the Best's rating may be considered when an insurance carrier meets all other standards and can satisfy surplus amounts equivalent to a B+, Class VII rating.
3. Certificate must include evidence of the amount of any deductible or self-insured retention under the policy.

D. Verification of Insurance Coverage:

All individuals, contractors, agencies, and organizations conducting business for the City shall provide proof of insurance by submitting one of the following: (1) an approved *General* and/or *Auto Liability Endorsement Form for the City of Placentia*; or (2) an acceptable Certificate of Liability Insurance Coverage with an approved Additional Insured Endorsement (see attached) with the following endorsements stated on the certificate:

1. *"The City of Placentia, its elected and appointed officers, officials, employees and agents are named as an additional insureds"* ("as it relates to a specific contract" or "for any and all work performed with the City" may be included in this statement).
2. *"This insurance is primary and non-contributory over any insurance or self-insurance the City may have"* ("as it relates to a specific contract" or "for any and all work performed with the City" may be included in this statement). **See Example A below.**

As an alternative to the non-contributory endorsement, the City will accept a waiver of subrogation endorsement on the General Liability policy. At a minimum, this endorsement shall include the following language:

"This insurance company agrees to waive all rights of subrogation against the City of Placentia, its elected and appointed officers, officials and employees for losses paid under the terms of this policy which arise from the work performed by the named insured for the City."

3. *"The insurance afforded by this policy shall not be cancelled except after thirty days prior written notice by certified mail return receipt requested has been given to the City."* Language such as, "endeavor to" mail and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representative" is not acceptable and must be crossed out. **See Example B below.**

The Workers' Compensation and Employers' Liability policies shall contain waiver of subrogation clause in favor of City, its elected and appointed officers, officials, employees, agents and volunteers. **See Example C below.**

In addition to the endorsements listed above, the City of Placentia shall be named the certificate holder on the policy.

All certificates and endorsements are to be received and approved by the City before work commences. All certificates of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter. Failure to obtain the required documents prior to the commencement of work shall not waive the contractor's obligation to provide them.

E. Acceptable Alternatives to Insurance Industry Certificates of Insurance:

The City will accept either a CG 20 10 10 01 or a CG 20 33 10 01 (or some form specific to a particular insurance company that has similar wording) as long as the form is accompanied by a CG 20 37 10 01. In addition, the City will accept the following:

- A copy of the full insurance policy which contains a thirty (30) days' cancellation notice provision (ten (10) days for non-payment of premium) and additional insured and/or loss-payee status, when appropriate, for the City.
- Binders and Cover Notes are also acceptable as interim evidence for up to 90 days from date of approval

F. Endorsement Language for Insurance Certificates

Example A:

THE INSURANCE SHALL BE PRIMARY WITH RESPECT TO THE INSURANCE SHOWN IN THE SCHEDULE ABOVE, OR IF EXCESS, SHALL STAND IN AN UNBROKEN CHAIN OF COVERAGE EXCESS OF THE NAMED INSURED'S SCHEDULED UNDERLYING PRIMARY COVERAGE. IN EITHER EVENT, ANY OTHER INSURANCE MAINTAINED BY THE INSURED SCHEDULED ABOVE SHALL BE IN EXCESS OF THIS INSURANCE AND SHALL NOT BE CALLED UPON TO CONTRIBUTE WITH IT.

Example B:

~~SHOULD ANY OF THE ABOVE-REFERENCED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS* WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.~~

**The broker/agent can include a qualifier stating "10 days notice for nonpayment premium."*

Example C:

IT IS UNDERSTOOD AND AGREED THAT THE COMPANY WAIVES THE RIGHT OF SUBROGATION AGAINST THE ABOVE ADDITIONAL INSURED (S), BUT ONLY WITH RESPECT TO THE JOB OR PREMISES DESCRIBED IN THE CERTIFICATE ATTACHED HERETO.

- G. Alternative Programs/Self-Insurance. Under certain circumstances, the City may accept risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs as verification of insurance coverage. These programs are subject to separate approval once the City has

reviewed the relevant audited financial statements and made a determination that the program provides sufficient coverage to meet the City's requirements.

H. Waiver or Modification of the Insurance Requirements.

Any waiver or modification of the insurance requirements can only be made by the City's Risk Manager or designee at City's discretion. If you do not believe that the insurance requirements apply to you (e.g., you do not have employees and therefore are not subject to the State's workers' compensation insurance requirements; you do not drive an automobile in connection with the services you provide to the City; professional liability or errors and omissions liability insurance is not available for the type of services you are performing, etc.), please submit a written request for waiver or modification of the insurance requirements and the reasons underlying your request to the Risk Manager. All requests for a waiver or modification will be reviewed and a final determination rendered by the Risk Manager.

RESOLUTION NO. R-2014-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA AUTHORIZING A BUDGET AMENDMENT IN FISCAL YEAR 2013/14 IN THE AGGREGATE AMOUNT OF \$56,303.50 IN COMPLIANCE WITH CITY CHARTER §§ 1206 AND 1209 PERTAINING TO APPROPRIATIONS FOR ACTUAL EXPENDITURES.

A. Recitals

(i). The adopted budget for the 2013/14 Fiscal Year sets out estimated appropriations for City expenses throughout the year.

(ii). From time to time the adopted budget must be adjusted when precise expenditures are finally determined or when estimated expenditures exceed projected costs allocated.

(iii). All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. The adopted budget for Fiscal Year 2013/14, Resolution No. R-2013-33, as heretofore amended, hereby is amended to reflect the following transfer of funds from the Account specified to the Account specified:

Fund	Description	Department	GL Acct. #	Increase (Decrease)
Misc Grants	Emrg Repairs	Public Works	503901-6131 JL 61131	56,303.50
Misc Grants	Fund Balance	Public Works	0050-3001	(56,303.50)
				\$ 0

PASSED, ADOPTED AND APPROVED this 7th day of January, 2014.

SCOTT NELSON, MAYOR

Attest:

PATRICK J. MELIA, CITY CLERK

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Patrick J. Melia, City Clerk of the City of Placentia, do hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Placentia held on the 7th day of January, 2014 by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

PATRICK J. MELIA, CITY CLERK

APPROVED AS TO FORM:

ANDREW V. ARCZYNSKI, CITY ATTORNEY



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: DIRECTOR OF PUBLIC WORKS
DATE: JANUARY 7, 2014
SUBJECT: RATIFICATION OF EMERGENCY PROPOSAL AND PURCHASE ORDER RELATED TO STORM DRAIN REPAIRS LOCATED ALONG BASTANCHURY ROAD

FINANCIAL

IMPACT: EXPENSE: \$40,221.00
OFFSETTING REVENUE: \$40,221.00
BUDGETED: \$40,221.00 (ACCOUNT NO.: 503901-6131)

SUMMARY:

In November, 2013, City Public Works Staff identified a sink hole developing on the eastbound lanes of Bastanchury Road, East of Kraemer Blvd. The sink hole developed from a deteriorated storm drain pipe. In light of the imminent danger to the public from the sink hole, the City Administrator authorized Valverde Construction to make emergency repairs to the storm drain pipe and roadway. This action will ratify an emergency proposal and purchase order in an amount of \$40,221.00.

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Approve proposal to Valverde Construction for an amount not to exceed \$40,221.00; and
2. Authorize the City Administrator to execute contract documents on behalf of the City, in a form approved by the City Attorney; and
3. Approve the attached budget amendment appropriating \$40,221.00 to Account No. 503901-6131 (Community Facilities District Surplus).

1.d.

January 7, 2014

DISCUSSION:

In November 2013, Placentia Public Works staff identified the development of a sink hole along Bastanchury Road, East of Kraemer Boulevard. Public Works staff used closed circuit television cameras to determine a storm drain pipe that crossed Kraemer Boulevard had completely failed. The storm drain pipe was made of material intended to last fifty years and had exhausted its useful life. As a result of the failed pipe, storm water was eroding the soil and taking away the base material that supported the street. Without emergency work to make repairs, the roadway would have continued to drop and create a significantly large hole endangering public safety. The potential for increased danger was significant and required emergency repairs. Pursuant to Section 3.08.140 of the City's Municipal Code the City Administrator authorized permanent repairs to the storm drain pipe and roadway avoiding a collapse of the street and protecting the public from imminent danger. The original 12" corrugated metal storm drain pipe has been repaired with a 12" reinforced concrete pipe that can withstand the weight of the roadway and carry surface water through storm the drain without the risk of leaking outside the pipe.

Valverde Construction has satisfactorily provided emergency service repairs for previous City sewer and storm drain failures. Their work has been above average with no change orders requested for additional work. Their proposal was reviewed and approved by the City's Director of Public Works.

FISCAL IMPACT:

The project is funded by Community Facilities District surplus funds.

Prepared by: Reviewed and approved:



Steve Drinovsky
Director of Public Works



Troy L. Butzlaff, CMA, CM
City Administrator

Attachments: As Stated

**AGREEMENT
KRAEMER BOULEVARD AND BASTANCHURY ROAD EMERGENCY STORM
DRAIN REPAIR**

THIS AGREEMENT is made and entered into this 21st day of November, 2013, by and between the CITY OF PLACENTIA, hereinafter referred to as "City" and Valverde Construction, Inc., hereinafter referred to as "Contractor". City and Contractor are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties".

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, City and Contractor agree as follows:

1. General Conditions

Contractor certifies and agrees that all the terms, conditions, and obligations of the Agreement Documents as hereinafter defined, the location of the job site, and the conditions under which the work is to be performed have been thoroughly reviewed, and enters into this Agreement based upon Contractor's investigation of all such matters and is in no way relying upon City's opinions or representations. Should Contractor discover any latent or unknown conditions materially differing from those inherent in the work or as represented by City, it shall immediately inform City of this and shall not proceed with further work under this Agreement until written instructions are received from the City.

The Parties agree that this Agreement represents the entire agreement between the Parties. The Agreement Documents are defined as and include the Notice to Contractors and Invitation for Bids, the Instructions to Bidders, the Contract Documents, the Contractor's Proposal, the General Provisions, the Special Provisions, the Specifications and Drawings, any of the other Contract Documents and all addenda issued by City. The Parties agree that the Agreement Documents are each incorporated into this Agreement by reference, with the same force and effect as if the same were set forth at length herein, and that Contractor and its subcontractors, if any, will be and are bound by any and all of the Agreement Documents insofar as they relate in any part or in any way, directly or indirectly, to the work covered by this Agreement.

"Project" as used herein defines the entire scope of the work covered by all the Agreement Documents. Anything mentioned in the Specifications and not indicated in the Drawings, or indicated in the Drawings and not mentioned in the Specifications, shall be of like effect as if indicated and mentioned in both. In case of discrepancy in the Drawings or Specifications, the matter shall be immediately submitted to the City's Public Works Director, without whose decision Contractor shall not adjust the discrepancy save only at Contractor's own risk and expense. The decision of the Public Works Director shall be final.

2. Materials and Labor

Contractor shall furnish, under the conditions expressed in the Agreement Documents, at Contractor's own expense, all labor and materials necessary, except such as are mentioned in the Specifications to be furnished by City, to construct and complete the Project, in good workmanlike and substantial order. If Contractor fails to pay for labor or materials when due, City may settle such claims by making demand upon the surety to this Agreement. In the event of the failure or refusal of the surety to satisfy said claims, City may settle them directly and deduct the amount of payments from the Agreement price and any amounts due to Contractor. In the event City receives a stop notice from any laborer or material supplier alleging non-payment by Contractor, City shall be entitled to deduct all of its costs and expenses incurred relating thereto, including but not limited to administrative and legal fees. Nothing in this Agreement shall be deemed to limit the legal and/or equitable remedies available to City.

3. Project

The Project is described as: **KRAEMER BOULEVARD AND BASTANCHURY ROAD EMERGENCY STORM DRAIN REPAIR**

4. Plans and Specifications

The work to be done is shown in Contractor's proposal.

5. Time of Commencement and Completion

Contractor agrees to commence the Project on the date set forth in the "Notice to Proceed" sent by City and shall diligently prosecute the work to completion within 30 working days from the date of the "Notice to Proceed" issued by City excluding delays caused or authorized by City as set forth in sections 8, 9, and 10 hereof.

Contractor Initials

City Initials

6. Legal Relationship between the Parties

A. The legal relationship between the Parties hereto is that of an independent contractor, and nothing herein shall be deemed to make Contractor a City employee. During the performance of this Agreement, Contractor and its officers, employees, agents, and subcontractors shall act in an independent capacity and shall not act as City officers, employees, or agents. The personnel performing the Services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officers, employees, agents, or subcontractors shall have control over the conduct of Contractor or any of its officers, employees, or agents, except as set forth in this Agreement. Contractor, its officers, employees, agents, or subcontractors shall not maintain an office or any other type of fixed business location at City's offices.

B. Contractor shall not incur or have the power to incur any debt, obligation, or liability against City, or bind City in any manner.

C. No City benefits shall be available to Contractor, its officers, employees, agents, or subcontractors in connection with any performance under this Agreement. Except for fees paid to Contractor as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Contractor for the performance of Services under this Agreement. City shall not be liable for compensation or indemnification to Contractor, its officers, employees, agents, or subcontractors for injury or sickness arising out of performing Services hereunder.

7. Time is of the Essence

Time is of the essence of this Agreement. As required by the Agreement Documents, Contractor shall prepare and obtain approval of all shop drawings, details and samples, and do all other things necessary and incidental to the prosecution of Contractor's work in conformance with an approved construction progress schedule. Contractor shall coordinate the work covered by this Agreement with that of all other contractors, subcontractors and City, in a manner that will facilitate the efficient completion of the entire work in accordance with Section 5 herein. City shall have complete control of the premises on which the work is to be performed and shall have the right to decide the time or order in which the various portions of the work shall be installed or the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly conduct of the work of Contractor on the premises.

8. Excusable Delays

Contractor shall be excused for any delay in the prosecution or completion of the Project caused by acts of God; inclement weather which exceeds the number of calendar days estimated by City and set forth in Section 5 hereof; damages caused by fire or other casualty for which Contractor is not responsible; any act, neglect, or default of City; failure of City to make timely payments to Contractor; late delivery of materials required by this Agreement to be furnished by City; combined action of the workers in no way caused by or resulting from default or collusion on the part of Contractor; a lockout by City; or any other delays reasonably unforeseen by Contractor and beyond Contractor's reasonable control.

City shall extend the time fixed in Section 5 for completion of the project by the number of days Contractor has thus been delayed, provided that Contractor presents a written request to City for such time extension within fifteen (15) days of the commencement of such delay and City finds that the delay is justified. City's decision will be conclusive on the Parties to this Agreement. Failure to file such request within the time allowed shall be deemed a waiver of the claim by Contractor.

No claims by Contractor for additional compensation or damages for delays will be allowed unless Contractor satisfies City that such delays were unavoidable and not the result of any action or inaction of Contractor and that Contractor took all available measures to mitigate such damages.

9. Extra Work

The Agreement price as set forth in Section 13, includes compensation for all work performed by Contractor, unless Contractor obtains a written change order signed by City's Engineer or Director of Public Works specifying the exact nature of the extra work and the amount of extra compensation to be paid as more particularly set forth in Section 10 hereof.

City shall extend the time fixed in Section 5 for completion of the project by the number of days reasonably required for Contractor to perform the extra work, as determined by the City Engineer. The decision of the City Engineer shall be final.

10. Changes in Project

- A. City may at any time, without notice to any surety, by written order designated or indicated to be a change order, make any change in the work within the general scope of this Agreement, including but not limited to changes:
 - 1. In the Drawings and Specifications;
 - 2. In the time, or in the method or manner of performance of the work;
 - 3. In City-furnished facilities, equipment, materials, services, or site; or
 - 4. Directing acceleration in the performance of the work.
- B. A change order shall also be any other written order (including direction, instruction, interpretation, or determination) from City which causes any change, provided Contractor gives City written notice stating the date, circumstances, and source of the order and that Contractor regards the order as a change order.
- C. Except as provided in this section, no order, statement, or conduct of City or its representatives shall be treated as a change under this section or entitle Contractor to an equitable adjustment.
- D. If any change under this section causes an increase or decrease in Contractor's actual direct cost or the time required to perform any part of the work under this Agreement, whether or not changed by any order, City shall

make an equitable adjustment and modify this Agreement in writing. Except for claims based on defective specifications, no claim for any change under paragraph (B) above shall be allowed for any costs incurred more than 20 days before Contractor gives written notice as required in paragraph (B). In the case of defective specifications for which City is responsible, the equitable adjustment shall include any increased direct cost Contractor reasonably incurs in attempting to comply with those defective specifications.

- E. If Contractor intends to assert a claim for an equitable adjustment under this section, it must, within 15 days after receipt of a written change order under paragraph (A) or the furnishing of a written notice under paragraph (B), submit a written statement to City setting forth the general nature and monetary extent of such claim. City may extend the 15-day period. Any such extension shall be valid only if in writing. Contractor may include the statement of claim in the notice under paragraph (B) of this section.
- F. No claim by Contractor for an equitable adjustment shall be allowed if made after final payment under this Agreement.
- G. Contractor hereby agrees to make any and all changes, furnish the materials, and perform the work that City may require without nullifying this Agreement. Contractor shall adhere strictly to the Drawings and Specifications unless a change therefrom is authorized in writing by City. Under no condition shall Contractor make any changes to the project, either in additions or deductions, without the written order of City, and City shall not pay for any extra charges made by Contractor that have not been agreed upon in advance in writing by City. Contractor shall submit immediately to City written copies of its firm's cost or credit proposal for any change in the work. Disputed work shall be performed as ordered in writing by City and the proper cost or credit breakdowns therefore shall be submitted without delay by Contractor to City.

11. Ownership of Documents

The documents and study materials for this project shall become the property of City upon the termination or completion of the work. Contractor agrees to furnish to City copies of all memoranda, correspondence, computation, and study materials in its files pertaining to the work described in this Agreement, which is requested in writing by City.

12. Liquidated Damages for Delay

The Parties agree that if the total work called for under this Agreement, in all parts and requirements, is not completed within the time specified in Section 5 plus the allowance made for delays or extensions authorized under Sections 8, 9, and 10, City will sustain damage, which would be extremely difficult and impracticable to ascertain. The Parties therefore agree that Contractor shall pay to City the sum of \$500.00 per day, as liquidated damages, and not as a penalty, for each and every calendar day during which completion of the project is so delayed.

The Parties agree that if the interim completion requirements are not reached within the time specified in the Drawings and Specifications, plus the allowances made for delays and extensions under the terms of this Agreement, Contractor shall pay City the sum of \$500.00 per day, as liquidated damages, and not as a penalty for each day of delay in reaching the interim completion date(s). Contractor agrees to pay such liquidated damages and further agrees that City may offset the amount of liquidated damages from any monies due or that may become due Contractor under this Agreement.

13. Agreement Price and Method of Payment

City agrees to pay and Contractor agrees to accept as full consideration for the faithful performance of this Agreement, subject to any subsequent additions or deductions as provided in approved change orders, the sum of \$40,221 as itemized in Contractor's Proposal attached as Exhibit "A" hereto.

Within thirty (30) days from the commencement of work and the receipt by City of Contractor's invoice, there shall be paid to Contractor a sum equal to ninety percent (95%) of the value of the actual work completed plus a like percentage of the value of material suitably stored at the worksite or approved storage yards subject to or under the control of City, since the commencement of the work as determined by City.

Thereafter, Contractor may submit monthly statements requesting payment based upon the value of the work completed and materials used. The monthly statements must include a detailed breakdown of all work completed and materials used during the period covered by the statement, as may be required by City. Upon approval of such payment request by City, payment shall be made to Contractor for ninety percent (95%) of the work completed and materials used. City shall retain ten percent (5%) of the amount of each such progress estimate and material cost until the Final Payment.

Payments shall be made on demands drawn in the manner required by law, accompanied by a certificate signed by the City's Public Works Director, stating that the work for which payment is demanded has been performed in accordance with the terms of this Agreement and that the amount stated in the certificate is due under the terms of this Agreement. Partial payments on the Agreement price shall not be considered as an acceptance of any part of the work.

The City may withhold all or part of any progress payments to such extent as may be necessary to protect the City from losses on account of:

- A. Defective work not remedied;
- B. Claims filed or reasonable evidence indicating probable filing of claims;
- C. Failure of the Contractor to make payments properly to subcontractors for material or labor;
- D. A reasonable doubt that the contract can be completed for the balance then paid;
- E. Damage to another Contractor; and/or
- F. Default of the Contractor in the performance of the terms and/or

conditions of the Contract.

Any subcontractor, material supplier, or workman, or anyone else having any claim against the Contractor for or on account of work done or material furnished for the performance of the work provided for hereunder, may give notice of said claim and of the amount thereof to the City, who may, but shall not be obliged to, thereupon withhold any and all payments due or to become due thereafter to the Contractor until said claims are adjusted and paid. The provisions of this article shall not lessen or diminish, but shall be in addition to, the right or duty of the City to withhold any payments under the provisions of the laws of the State of California requiring the withholding of sums due to the Contractor.

14. Substitution of Securities in Lieu of Retention of Funds

Pursuant to Public Contract Code section 22300 et seq., Contractor shall be entitled to post approved securities with City or an approved financial institution in order to have City release funds retained by City to insure performance of this Agreement. Contractor shall be required to execute an addendum to this Agreement together with escrow instructions and any other documents in order to effect this substitution.

15. Completion

Within ten (10) days after the Agreement completion date of the project, Contractor shall file with the City's City Engineer its affidavit stating that all workers and persons employed, all firms supplying materials, and all subcontractors upon the project have been paid in full, and that there are no claims outstanding against the project for either labor or material, except those certain items, if any, to be set forth in an affidavit covering disputed claims, or items in connection with Stop Notices which have been filed under the provisions of the statutes of the State of California. City may require affidavits or certificates of payment and/or releases from any subcontractor, laborer, or material supplier.

16. Contractor's Employees Compensation

A. General Prevailing Rate:

City has ascertained from the State of California Director of Industrial Relations, the general prevailing rate of per diem wages and the general prevailing rate for legal holiday and overtime work in the locality in which the work is to be performed for each craft or type of work needed to execute this Agreement, and copies of the same are on file in the City Public Works Director's office. Contractor agrees that no less than these prevailing rates shall be paid to workers employed on this public works contract as required by California Labor Code section 1774. If both Federal and State wage rates are otherwise applicable, then the higher of the two shall prevail.

B. Forfeiture for Violation:

Contractor shall, as a penalty to City, forfeit fifty dollars (\$50.00) for each calendar day or portion thereof for each worker paid (either by Contractor or

any subcontractor under it) less than the prevailing rate of per diem wages as set by the Director of Industrial Relations, in accordance with California Labor Code sections 1770 through 1780 for the work provided for in this Agreement, all in accordance with California Labor Code section 1775.

C. Apprentices:

California Labor Code sections 1777.5, 1777.6, and 1777.7, regarding the employment of apprentices are applicable to this Agreement and Contractor shall comply therewith if the prime contract involves thirty thousand dollars (\$30,000.00) or more, twenty (20) working days or more, or if contracts of specialty contractors not bidding for work through the general or prime contractor are two thousand dollars (\$2,000.00) or more or five (5) working days or more.

D. Workday:

In the performance of this Agreement, not more than eight (8) hours shall constitute a day's work, and Contractor shall not require more than eight (8) hours of labor in a day from any person employed by him hereunder except as provided in paragraph (B) above. Contractor shall conform to California Labor Code section 1810 et seq., and shall forfeit to City as a penalty, the sum of twenty-five dollars (\$25.00) for each worker employed in the execution of work pursuant to this Agreement by Contractor or any subcontractor for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in any one calendar day and forty (40) hours in any one week in violation of such provision. Contractor shall keep an accurate record showing the name and actual hours worked each calendar day and each calendar week by each worker employed by Contractor in connection with this Project.

E. Record of Wages; Inspection:

Contractor agrees to maintain accurate payroll records showing the name, address, social security number, work classification, straight-time, and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by it in connection with the Project and agrees to require that each of its subcontractors does the same. All payroll records shall be certified as accurate by the applicable Contractor or subcontractor or its agent having authority over such matters. Contractor further agrees that its payroll records and those of its subcontractors shall be available to the employee or employee's representative, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards and shall comply with California Labor Code section 1776 et seq.

18. Insurance

- A. Contractor is aware of the provisions of California Labor Code section 3700 that requires every employer to be insured against liability for workers' compensation or undertake self-insurance in accordance with the provisions of that Code and will comply with such provisions before commencing the performance of the work of this Agreement.
- B. Contractor and all subcontractors shall carry workers' compensation insurance for the protection of their respective employees during the progress of the work. The insurer shall waive its rights of subrogation against City, its officers, agents, and employees and shall issue an endorsement certificate to the policy evidencing same.
- C. Contractor agrees that it shall, at all times during the term of this Agreement, carry on all operations hereunder, comprehensive or commercial general liability insurance, including bodily injury, death, and property damage, and automotive operations. All insurance coverage of the above-required types, shall be in amounts specified by City in the Insurance Requirements, set forth in Subparagraph E below, and in the Bid Documents, and shall be evidenced by the issuance of a certificate in a form prescribed by City and shall be underwritten by insurance companies satisfactory to City for all operations, subcontract work, contractual obligations, product or completed operations, all owned vehicles and non-owned vehicles. All insurance coverage obtained by Contractor, excepting workers' compensation coverage, shall name City, its City Council Members, Officers, Agents, Employees, Engineers, and Contractors for this Agreement, as determined by City, as additional insured by endorsement to the policies.
- D. Before Contractor performs any work at, or prepares or delivers materials to, the site of construction, Contractor shall furnish certificates of insurance evidencing the foregoing insurance coverages and such certificates shall

provide the name and policy number of each carrier and policy and that the insurance is in force and will not be canceled without thirty (30) days' written notice to City.

- E. Contractor shall maintain all of the foregoing insurance coverages in force until the work under this Agreement is fully completed. The requirement for carrying the foregoing insurance shall not derogate from the provisions for indemnification of City by Contractor under Section 19 of this Agreement. Notwithstanding nor diminishing the obligations of Contractor with respect to the foregoing, Contractor shall subscribe for and maintain in full force and effect during the life of this Agreement, the following insurance in amounts not less than the amounts specified and issued by a company admitted in California and having an A.M. Best's Guide Rating of "A-" Class VII or better. City recognizes that State Compensation Insurance Fund has withdrawn from participation in the A.M. Best's Rating Guide process. Nevertheless, City will accept State Compensation Insurance Fund for the required policy of worker's compensation insurance, subject to City's option, at any time during the term of this Contract, to require a change in insurer upon twenty (20) days written notice. Further, City will require Contractor to substitute any insurer whose rating drops below the levels herein specified. The substitution shall occur within twenty (20) days of written notice to Contractor, by City or its agent.

Contractor shall maintain the following insurance:

1. Workers' Compensation, in accordance with the Workers' Compensation Act of the State of California in at least the minimum amounts required by law.
2. Public Liability in the form of either Comprehensive General Liability or Commercial General Liability written on a per occurrence basis in the amount of either: \$1,000,000 Combined Single Limit, per occurrence for bodily injury, death, and property damage; or \$1,000,000 per occurrence with \$1,000,000 aggregate for bodily injury, death, and property damage; or \$1,000,000 aggregate, separate for this project for bodily injury, death and property damage
3. Automobile Liability, including non-owned and hired vehicles in the amount of \$1,000,000 combined single limit per occurrence.

City or its representatives shall at all times have the right to inspect and receive the original or a certified copy of all said policies of insurance, including certificates and endorsements. Contractor shall pay the premiums on the insurance hereinabove required.

19. Indemnity

Contractor agrees to save, indemnify, and keep City, its Council Members, Officers, Agents, Employees, Engineers, and Contractors for this Agreement, harmless against any and all liability, claims, judgments, costs, and demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation arising through the negligence or willful

misconduct of City and will make good to and reimburse City for any expenditures, including reasonable attorneys' fees, City may incur by reason of such matters, and if requested by City, will defend any such suits at the sole cost and expense of Contractor. Contractor further agrees to promptly pay any judgment rendered against the Contractor or City covering such liability, claims, costs, and demands arising out of the obligations herein undertaken or out of the operations conducted by Contractor.

In the event Contractor or its insurer refuses or fails to provide a legal defense to City after receiving written notice of the legal action and a tender and demand for defense, City shall have the right to select counsel of its own choice to represent all City's interests. Contractor agrees that the amount of legal costs and expenses including attorneys' fees may be withheld by City from any Agreement amounts due and owing to Contractor until such time as a final determination is made as to the responsibility for payment of the fees and costs.

20. Termination

- A. City may terminate this Agreement for its convenience at any time, in whole or in part, without cause, by giving Contractor written notice thereof.
- B. City may terminate this Agreement for Contractor's default if a federal or state proceeding for the relief of debtors is undertaken by or against Contractor, or if Contractor makes an assignment for the benefit of creditors, or if Contractor breaches any term(s) or violates any provision(s) of this Agreement and does not cure such breach or violation within ten (10) calendar days after written notice thereof by City. Contractor shall be liable for any and all reasonable costs incurred by City as a result of such default including, but limited to, procurement costs of the same or similar services defaulted by Contractor under this Agreement.
- C. If City terminates this Agreement, an equitable adjustment in the price provided for in this Agreement shall be made, but (1) no amount shall be allowed for unperformed services or work, or for anticipated profit on unperformed services or other work, and (2) any payment due to Contractor at the time of termination may be adjusted to cover any additional costs to City because of Contractor's default. The equitable adjustment shall include a reasonable profit for services or other work performed, but no adjustment will be allowed for anticipated profits. The equitable adjustment for any termination shall provide for payment to Contractor for services rendered and expenses incurred prior to the termination, in addition to termination settlement costs reasonably incurred by Contractor relating to commitments which had become firm prior to the termination. Thereafter Contractor shall have no further claims against City under this Agreement.
- D. Upon receipt of a termination notice, Contractor shall (1) promptly discontinue all affected work (unless the notice directs otherwise), and (2)

which is legally required for Contractor to perform its professional duties under this Agreement.

24. Warranty

Contractor agrees to perform all work under this Agreement in accordance with City's designs, drawings, and specifications.

Contractor guarantees for a period of at least one (1) year from the date of substantial completion with beneficial occupancy of the work as mutually agreed by the Parties or the date of acceptance of the project as completed by City, that the completed work is free from all defects due to faulty materials, equipment, or workmanship and that it shall promptly make whatever adjustments or corrections which may be necessary to cure any defects, including repairs of any damage to other parts of the system resulting from such defects. City shall promptly give notice to Contractor of observed defects. In the event that Contractor fails to make adjustments, repairs, corrections, or other work made necessary by such defects, City may do so and charge Contractor the cost incurred. The performance bond shall remain in full force and effect through the guarantee period.

Contractor's obligations under this clause are in addition to Contractor's other express or implied assurances under this Agreement or state law and in no way diminish any other rights that City may have against the Contractor for faulty materials, equipment, or work.

25. Assignments

No assignment by Contractor of this Agreement or any part hereof, or of funds to be received hereunder, will be recognized by City unless such assignment has had prior written approval and consent of City and the surety.

26. Successors in Interest

This Agreement shall be binding upon and ensure to the benefit of the Parties' successors and assignees.

27. Compliance with Law

Contractor certifies by the execution of this Agreement that it pays employees not less than the minimum wage as defined by law, and that it does not discriminate in its employment with regard to race, color, religion, sex, or national origin; that Contractor is in compliance with all federal and state laws, local directives, and executive orders regarding non-discrimination in employment; and that Contractor agrees to demonstrate positively and aggressively the principle of equal opportunity in employment.

28. Jurisdiction

This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be

resolved against the drafting Party shall not be employed in interpreting this Agreement, all Parties having been represented by counsel in the negotiation and preparation hereof. Any litigation concerning this Agreement shall take place in the Municipal, Superior, or Federal District Court, as appropriate, with jurisdiction over the City of Placentia.

29. Dispute Resolution

City and Contractor shall comply with the provisions of California Public Contracts Code section 20104 et seq., regarding resolution of construction claims for any claims, which arise between City and Contractor.

30. Safety and Health

Contractor acknowledges the provisions of California Labor Code section 6400 et seq., which requires that employers shall furnish employment and a place of employment that is safe and healthful for all employees working therein. City shall have the authority to enter the worksite at any time for the purpose of identifying the existence of conditions, either actual or threatened that may present a danger or hazard to any and all employees. In the event City identifies the existence of any condition that presents an actual or threatened danger or hazard to any or all employees at the worksite, City is hereby authorized to order the immediate abatement of that actual or threatened condition pursuant to this section. City may also, at its sole authority and discretion, issue an immediate stop work order to Contractor to ensure that no employee working at the worksite is exposed to a dangerous or hazardous condition. Any stop work order issued by City to Contractor in accordance with the provisions of this section, shall not give rise to any claim or cause of action for delay damages by Contractor or Contractor's agents or subcontractors against City.

31. Storm Water Requirements

The Santa Ana and San Diego Regional Water Quality Control Boards (RWQCB) have issued permits which govern stormwater and non-stormwater discharges resulting from areas owned and operated by the County of Orange, Orange County Flood Control District and incorporated cities of Orange County (collectively referred to as Permittees). The RWQCB Permits are National Pollutant Discharge Elimination System (NPDES) Permits No. R8-2009-0030 and R9-2009-0002, respectively. Copies of the RWQCB Permits are available for review.

In order to comply with the Permit requirements, the Permittees have developed a Drainage Area Management Plan (DAMP) which contains Model Maintenance Procedures with Best Management Practices (BMPs) that parties conducting the municipal activities must adhere to. These Model Maintenance Procedures apply to any party conducting municipal activities and contain pollution prevention and source control techniques to minimize the impact of those activities upon dry-weather urban runoff, stormwater runoff, and receiving water quality.

Work performed under this CONTRACT shall conform to the Permit requirements, the DAMP, and the Model Maintenance Procedures and must be performed as described within all applicable Model Maintenance Procedures. The CONTRACTOR shall fully understand the Model Maintenance Procedures applicable to activities that are being conducted under this CONTRACT prior to conducting them and maintain copies of the Model Maintenance

Procedures throughout the CONTRACT duration. The applicable Model Maintenance Procedures are included as Exhibit ___ of this CONTRACT.

Evaluation of activities subject to DAMP requirements performed under this CONTRACT will be conducted to verify compliance with DAMP requirements and may be required through CONTRACTOR self-evaluation as determined by the city.

32. Agreement Execution Authorization

Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Agreement and that such execution is binding upon the entity for which he or she is executing this document.

33. Entire Agreement

This Agreement constitutes the entire understanding and agreement of the Parties hereto and supersedes all previous negotiations, discussions, and agreements between the Parties with respect to the subject matter hereof. No parol evidence shall be permitted to contradict or vary the terms of this Agreement.

34. Severability

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be invalid under the applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement.

35. Conflicts

To the extent that there is any conflict between the provisions of this Agreement and the City's Request for Proposals, the Contractor's Proposal and/or any of the other Agreement Documents, the terms and conditions of this IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first hereinabove written.

CITY OF PLACENTIA

By: _____
Troy L. Butzlaff, City Administrator

ATTEST:

By: _____
Patrick J. Melia, City Clerk

APPROVED AS TO FORM:

By: _____
Andrew V. Arczynski,
City Attorney

By _____

By _____

INSURANCE FOR CITY CONTRACTS



REQUIREMENTS

*Instructions to
Providers:*

Contractors/Vendors/Service

Prior to commencing any work, all contractors, vendors and service providers shall procure and maintain, at their own cost and expense for the duration of their contract with the City, appropriate insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work or services. **Any insurance proceeds available to City in excess of the limits and coverage required in this Agreement and which is applicable to a given loss, will be available to City.**

Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to the required general liability policy, shall be delivered to City at or prior to the execution of the contract. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under the contract and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by the contractor, vendor or service provider or deducted from sums due the contractor, vendor or service provider, at City's option.

The types of insurance required and the coverage amounts are specified below:

A. Minimum Scope of Insurance Required

1. **General Liability Insurance** is required whenever the City is at risk of third-party claims which may arise out of work or presence of a contractor, vendor and service provider on City premises. At a minimum this policy shall:
 - be written on a per occurrence basis; and
 - include products and completed operations liability, independent contractors liability, broad form contractual liability, and cross liability protection.
 - **General Liability Insurance shall be provided using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or equivalent as approved by Risk Manager. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another.**

2. **Automobile Liability Insurance** is required only when vehicles are used by a contractor, vendor or service provider in their scope of work or when they are driven off-road on City property. Compliance with California law requiring auto liability insurance is mandatory and cannot be waived. At a minimum this policy shall:
 - be written on a per occurrence basis;

- include coverage for Bodily Injury and Property Damage, Owned, Non-owned and Hired Vehicles; and
- include coverage for owned, non-owned, leased and hired vehicles.
- **Automobile Liability Insurance shall be on ISO Business Auto Coverage form CA 00 01, including symbol 1 (Any Auto), or equivalent as approved by the Risk Manager.**

If an automobile is not used in connection with the services provided by the contractor, vendor or service provider, a written request to waive this requirement must be made to the Risk Manager.

3. **Workers' Compensation and Employer's Liability Insurances** is required for any contractor, vendor or service provider that has any employees at any time during the period of this contract. Contractors with no employees must complete a Request for Waiver of Workers' Compensation Insurance Requirement form available from the City's Risk Manager. At a minimum, this policy shall:

- provide statutory requirements of the State of California; and
- include \$1,000,000 Employer's Liability.

4. **Errors and Omissions (if applicable)** coverage is required for licensed or other professional contractors doing design, architectural, engineering or other services that warrant such insurance. At a minimum this policy shall:

- cover liability for malpractice or errors and omissions made in the course of rendering professional services.
- **be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under the contract. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of the contract.**

B. Minimum Limits of Insurance Coverage Required

Under \$25,000	Limits TBD by Risk Manager
Over \$25,000 to \$5,000,000	\$1 Million per Occurrence/\$2 Million Aggregate
Over \$5 Million	Limits TBD by Risk Manager

Umbrella excess liability may be used to reach the limits required by the specific contract.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-

insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a “pay on behalf” basis, with defense costs payable in addition to policy limits. Each such policy shall contain a provision obligating insurer at the time insured’s liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of contractor, vendor or service provider, subconsultants, subcontractors or others involved in the work. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein.

Additional insurance requirements may be imposed by the City for services or products that have a higher risk. Refer to the City’s Risk Manager for information of the insurance requirements for the following types of services or products:

1. Construction contracts which are awarded or administered through City departments other than the Public Works Department;
2. Medical, excavation, drilling, trenching or shoring services, or services involving explosives or pyrotechnics;
3. Environmental consulting, engineering or related services or operations;
4. Custom manufactured products;
5. Products or services involving firearms, tobacco, alcohol, or controlled substances;
6. Any unusual or high-risk activities, operations or products.

C. General Standards for Insurance Policies:

All insurance policies shall meet the following general standards:

1. Insurance carrier is to be placed with duly licensed or approved non-admitted insurers in the State of California.
2. Insurers must have a Best’s rating of B+, Class VII or higher (this rating includes those insurers with a minimum policyholder’s surplus of \$50 to \$100 million). Exceptions to the Best’s rating may be considered when an insurance carrier meets all other standards and can satisfy surplus amounts equivalent to a B+, Class VII rating.
3. Certificate must include evidence of the amount of any deductible or self-insured retention under the policy.

D. Verification of Insurance Coverage:

All individuals, contractors, agencies, and organizations conducting business for the City shall provide proof of insurance by submitting one of the following: (1) an approved General and/or Auto Liability Endorsement Form for the City of Placentia; or (2) an acceptable Certificate of Liability Insurance Coverage with an approved Additional Insured Endorsement (see attached) with the following endorsements stated on the certificate:

1. *“The City of Placentia, its elected and appointed officers, officials, employees and agents are named as an additional insureds”* (“as it relates to a specific contract” or “for any and all work performed with the City” may be included in this statement).

2. *“This insurance is primary and non-contributory over any insurance or self-insurance the City may have”* (“as it relates to a specific contract” or “for any and all work performed with the City” may be included in this statement). **See Example A below.**

As an alternative to the non-contributory endorsement, the City will accept a waiver of subrogation endorsement on the General Liability policy. At a minimum, this endorsement shall include the following language:

“This insurance company agrees to waive all rights of subrogation against the City of Placentia, its elected and appointed officers, officials and employees for losses paid under the terms of this policy which arise from the work performed by the named insured for the City.”

3. *“The insurance afforded by this policy shall not be cancelled except after thirty days prior written notice by certified mail return receipt requested has been given to the City.”* Language such as, “endeavor to” mail and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representative” is not acceptable and must be crossed out. **See Example B below.**

The Workers’ Compensation and Employers’ Liability policies shall contain waiver of subrogation clause in favor of City, its elected and appointed officers, officials, employees, agents and volunteers. **See Example C below.**

In addition to the endorsements listed above, the City of Placentia shall be named the certificate holder on the policy.

All certificates and endorsements are to be received and approved by the City before work commences. All certificates of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter. Failure to obtain the required documents prior to the commencement of work shall not waive the contractor’s obligation to provide them.

E. Acceptable Alternatives to Insurance Industry Certificates of Insurance:

The City will accept either a CG 20 10 10 01 or a CG 20 33 10 01 (or some form specific to a particular insurance company that has similar wording) as long as the form is accompanied by a CG 20 37 10 01. In addition, the City will accept the following:

- A copy of the full insurance policy which contains a thirty (30) days’ cancellation notice provision (ten (10) days for non-payment of premium) and additional insured and/or loss-payee status, when appropriate, for the City.
- Binders and Cover Notes are also acceptable as interim evidence for up to 90 days from date of approval

F. Endorsement Language for Insurance Certificates

Example A:

THE INSURANCE SHALL BE PRIMARY WITH RESPECT TO THE INSURED SHOWN IN THE SCHEDULE ABOVE, OR IF EXCESS, SHALL STAND IN AN UNBROKEN CHAIN OF COVERAGE EXCESS OF THE NAMED INSURED'S SCHEDULED UNDERLYING PRIMARY COVERAGE. IN EITHER EVENT, ANY OTHER INSURANCE MAINTAINED BY THE INSURED SCHEDULED ABOVE SHALL BE IN EXCESS OF THIS INSURANCE AND SHALL NOT BE CALLED UPON TO CONTRIBUTE WITH IT.

Example B:

SHOULD ANY OF THE ABOVE-REFERENCED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ~~ENDEAVOR TO MAIL 30 DAYS*~~ WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.~~

** The broker/agent can include a qualifier stating "10 days notice for nonpayment of premium"*

Example C:

IT IS UNDERSTOOD AND AGREED THAT THE COMPANY WAIVES THE RIGHT OF SUBROGATION AGAINST THE ABOVE ADDITIONAL INSURED(S), BUT ONLY WITH RESPECT TO THE JOB OR PREMISES DESCRIBED IN THE CERTIFICATE ATTACHED HERETO.

G. Alternative Programs/Self-Insurance. Under certain circumstances, the City may accept risk financing mechanisms such as Risk Retention Groups, Risk Purchasing Groups, off-shore carriers, captive insurance programs and self-insurance programs as verification of insurance coverage. These programs are subject to separate approval once the City has reviewed the relevant audited financial statements and made a determination that the program provides sufficient coverage to meet the City's requirements.

H. Waiver or Modification of the Insurance Requirements.

Any waiver or modification of the insurance requirements can only be made by the City's Risk Manager or designee at City's discretion. If you do not believe that the insurance requirements apply to you (e.g., you do not have employees and therefore are not subject to the State's workers' compensation insurance requirements; you do not drive an automobile in connection with the services you provide to the City; professional liability or errors and

omissions liability insurance is not available for the type of services you are performing, etc.), please submit a written request for waiver or modification of the insurance requirements and the reasons underlying your request to the Risk Manager. All requests for a waiver or modification will be reviewed and a final determination rendered by the Risk Manager.

CITY OF PLACENTIA
BUDGET AMENDMENTS



SUBMITTED BY: Michael McConaha

DATE: 1/7/2014

DEPARTMENT: Public Works

FISCAL YEAR
AMENDING: 13-14

TRANSFERS BETWEEN ACCOUNT NUMBERS (WITHIN THE SAME FUND!)

FROM:		TO:		AMOUNT	BRIEF EXPLANATION
G/L ACCOUNT #	J/L # (if applicable)	G/L ACCOUNT #	J/L # (if applicable)		
-		-			
-		-			
-		-			

TRANSFERS BETWEEN DIFFERENT FUNDS (COUNCIL APPROVAL REQUIRED)

FROM:		TO:		AMOUNT	BRIEF EXPLANATION
G/L ACCOUNT #	J/L # (if applicable)	G/L ACCOUNT #	J/L # (if applicable)		
-		-			
-		-			
-		-			

COUNCIL APPROVAL DATE: _____

RESOLUTION #: _____

ADDITIONS/ DELETIONS TO APPROVED BUDGET (COUNCIL APPROVAL REQUIRED)

G/L ACCOUNT #	J/L # (if applicable)	AMOUNT	BRIEF EXPLANATION
503901 - 6131		\$40,221.00	Storm Drain Emergency Repair
-			See City Council 1/7/14 Meeting
-			

COUNCIL APPROVAL DATE: _____

RESOLUTION #: _____

FINANCE DEPARTMENT USE:

BUDGET J/E #: _____
ENTERED BY: _____
ENTER DATE: _____

DEPT. HEAD SIGNATURE _____

FINANCE DIRECTOR SIGNATURE _____

CITY ADMINISTRATOR SIGNATURE _____



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF ADMINISTRATIVE SERVICES/COMMUNITY SERVICES

DATE: JANUARY 7, 2014

SUBJECT: **APPROVE AN ADDITIONAL PURCHASE AUTHORIZATION WITH EXPRESS EMPLOYMENT PROFESSIONALS IN THE AMOUNT OF \$30,000 FOR AN AGGREGATE TOTAL OF \$50,000 IN FISCAL YEAR 2013-14 FOR STAFFING SERVICES.**

FISCAL
IMPACT: EXPENSE: NOT TO EXCEED \$50,000
BUDGETED IN: (ACCOUNT #: 433658-6290)

SUMMARY:

On June 25, 2013, the City Administrator approved a purchase order with Express Employment Professionals for the provision of staffing services to provide vehicle maintenance services. This action will continue to utilize Express Employment Professionals and approve a purchase authorization for staffing services through June 30, 2014.

RECOMMENDATION:

It is recommended that City Council take the following action:

1. Approve an additional purchase authorization with Express Employment Professionals in the amount of \$30,000 for an aggregate total of \$50,000 in Fiscal Year 2013-14 for staffing services.

DISCUSSION:

In order to maintain the City's fleet of vehicles, qualified individuals have been retained to provide routine maintenance services. Prior to the beginning of the 2013-14 Fiscal Year, the City used retired City workers on a part-time basis to maintain the City's fleet. However, at the beginning of the current fiscal year, labor law does not allow the City to continue this process.

With the City's fleet aging and the need for continued vehicle maintenance, it is essential to have qualified personnel available. As a budget reduction measure, the City has been utilizing a third party employment service to provide staffing services. At the beginning of the current fiscal year, a purchase order in an amount not-to-exceed \$20,000 was approved by the City Administrator to Express Employment Professionals. The individuals Express Employment

1.e.

January 7, 2014

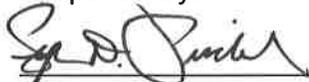
Professionals currently provided to the City are doing an excellent job and are extremely professional.

The initial purchase authorization has been exhausted. In order to continue to utilize the staffing services provided by Express Employment Professionals, Staff is seeking additional purchase authorization. If additional purchase authorization is not granted, there will be no one available to maintain the City's Fleet. All repairs will have to be contracted through the vehicles' manufacturer or via a private garage. This will likely cost the City significantly more money and result in vehicles being out of service for significant amounts of time. A new purchase authorization extending Express Employment Professionals' services through the end of the fiscal year will continue to allow the Public Works Department to address both urgent and routine maintenance needs in the City's fleet for the remainder of the 2013-14 Fiscal Year.

FISCAL IMPACT:

There is no change in the contractor's fee schedule. Funding is included in the Fiscal Year 2013-2014 general fund budget, account number: 433658-6290.

Prepared by:



Stephen D. Pischel
Director of Administrative Services/
Community Services

Reviewed and approved:



Troy L. Butzlaff ICMA-CM
City Administrator

Attachment: Vehicle Maintenance Services Agreement



Staffing Agreement

At Express Services, Inc. (Express) dba Express Employment Professionals (referred to as "Express", "We" or "Our"), we make it easy for you to do business with us. The first step to establishing a successful staffing relationship is to ensure a clear understanding of each party's responsibilities. We appreciate your business and look forward to the opportunity to support you with outstanding professional employment services in consideration of your agreement to the following terms and conditions:

1. We hire associates as Express employees, and provide all wages, taxes, withholding, workers' compensation, and unemployment insurance. Medical benefits and vacation pay are also available to associates who qualify. We recruit and assign associates to you to perform the job duties you specify. You agree to notify us if those duties or the workplace of an associate changes.
2. Express complies with all Federal, State, and Local employment laws and regulations. You agree to provide our associates with a safe, suitable workplace and equipment, and to comply with all applicable federal, state, and local employment laws including appropriate workplace-specific safety and health training that adequately addresses potential hazards at your worksite. You agree to indemnify and hold Express harmless from claims or damages resulting from your non-compliance with applicable laws and regulations. Express pays associates promptly, based on information approved by you. You agree to pay the charges based on the time card or other mutually acceptable recording method by the invoice due date.
3. A monthly service charge of (18% per annum) may be assessed on charges remaining unpaid 30 days after the invoice date. We are entitled to reasonable collection fees, attorney fees, and other expenses incurred to collect all charges on your account(s). Bill rates are subject to change with appropriate notice.
4. It is our goal that associates perform their jobs to your satisfaction; however, if you are not satisfied with an Express associate for any reason within the first 48 hours of the assignment, you will not be charged for the first four (4) hours of the associate's work and a replacement will be provided.
5. We provide insurance to cover Express associates for Workers' Compensation, Commercial General Liability, Employers Liability, Fidelity Bond, Errors and Omissions, and Hired/Non-Owned Automobile coverage in an amount not less than \$1,000,000 per occurrence. You agree to maintain liability insurance for any motor vehicle, forklift, or other motorized mobile equipment operated by an Express associate, and agree to waive all rights of recovery against Express as the employer of the Express associate.
6. You agree that you will not request or allow our associates to offer professional opinions concerning any financial audits, certifications or financial statements, SEC filings or provide management consulting or financial advice. Nor will our associates be permitted sign-off authority for architectural or engineering projects or construction or other cost estimates. All services performed by our associates shall be under your direction, supervision and control and you shall be responsible for ensuring that the services meet your requirements and agree that we are not responsible for the accuracy and correctness of the resulting work product.
7. If our associates have access to unattended premises or the care, custody, or control of cash, checks, credit card numbers, ATM bank cards, negotiables, confidential information, trade secrets, or other valuable property, then you agree to indemnify and hold us harmless from any resulting loss or damage.
8. Express will provide associates for positions where operating a motor vehicle, forklift, or other motorized equipment is required, if notified in writing prior to an assignment. We must know in advance, so we can assign associates who are qualified to meet your specifications. During an assignment, if our associate operates a motor vehicle, forklift, or any other motorized equipment, you agree to indemnify and hold us harmless for bodily injury, property damage, collision, or public liability claims, regardless of fault.
9. You supervise, direct, and control the work performed by Express associates, and assume responsibility for all operational results, including losses or damage to property or data in the care, custody, or control of an Express associate. You agree to indemnify and hold us harmless from any claims or damages that may be caused by your negligence or misconduct, and agree on behalf of your insurer(s) to waive all rights of recovery (subrogation) against us.
10. We offer an evaluation hire program designed to provide you with associates on a trial basis prior to converting them to your payroll. To take advantage of our evaluation hire program, you agree to negotiate a pre-determined trial period or fee prior to an associate's assignment to you.
11. Express allows you to hire associates already assigned to you if your invoices are current and you agree to pay an acceptable payroll transfer fee (up to 30% of an associate's expected annual earnings) to convert an Express associate to your payroll.
12. You agree, for a period of 180 days from the date of introduction or last date on assignment, whichever is later, not to hire directly or use Express associates through another staffing firm without paying a liquidation fee of 30% of the Express associate's expected annual compensation, unless otherwise agreed to by us in writing.
13. Express will, at your written request, conduct criminal history checks and drug screens as permitted by state law. The costs vary depending upon the specific test or report ordered and the charges will be agreed upon prior to ordering the tests and/or reports.

Thank you for your business. We look forward to a mutually beneficial relationship.

Company: _____ Date _____

Agent's Name (please print) _____ Title _____

Agent's Signature _____



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: INTERIM ASSISTANT CITY ADMINISTRATOR
DATE: JANUARY 7, 2014
SUBJECT: **AMENDMENT TO THE HOUSING ELEMENT OF THE PLACENTIA GENERAL PLAN FOR THE 2013-2021 PLANNING PERIOD. (GENERAL PLAN AMENDMENT 2013-01)**

CEQA DETERMINATION: Addendum to Mitigated Negative Declaration (MND) 2010-01

FISCAL
IMPACT: N/A

SUMMARY:

All cities in the Southern California region are required by state law to prepare an update to the Housing Element of the General Plan for the 2013-2021 time period. A draft Housing Element was prepared and circulated for public review in September. The Planning Commission conducted a public hearing on September 24, 2013 and recommended that the City Council approve the Addendum to the Mitigated Negative Declaration and the Housing Element amendment. As required by state law, the draft Housing Element was also submitted for review by the California Department of Housing and Community Development ("HCD") and on November 22, 2013 HCD issued a letter stating that the draft element addresses the requirements of state law (Attachment D). If adopted by the City Council, the Housing Element will be in full compliance with state law. No major changes to current City policy are proposed in the Housing Element update other than the inclusion of future consideration of a Transit Oriented Zoning District near the proposed Metrolink station.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Conduct public hearing and consider staff and public input pertaining to the proposed Housing Element amendment. Close public hearing upon completion of testimony, and
2. Approved the Addendum to Mitigated Negative Declaration (MND) 2010-01, and direct the City Clerk to file notice of approval thereof as required by law
3. Adopt Resolution No. R-2014-___, A Resolution of the City Council of the City of Placentia, California, Approving the 2013-2021 Housing Element amendment and directing staff to transmit the adopted element to HCD for certification.

DISCUSSION:

The Housing Element is one of seven mandatory General Plan elements required by the State of California. It is the only General Plan element that requires review by the State prior to

2.a.
January 7, 2014

adoption. The 2013-2021 Housing Element analyzes existing and projected housing needs and articulates the City's goals, policies, programs and objectives for the preservation, improvement and production of housing for all segments of the population within the City of Placentia.

Housing Element Organization

The Housing Element is organized into four sections, as described below:

- Chapter 1: Introduction – describes the purpose, organization and requirements of the Housing Element;
- Chapter 2: Housing Profile – analyzes the demographics, economics and housing trends in Placentia and describes the housing needs of the City;
- Chapter 3: Resources and Constraints Analysis – analyzes resources for housing as well as governmental and non-governmental constraints; and,
- Chapter 4: Housing Policy Program – provides goals and policy actions for the construction, conservation, rehabilitation and preservation of housing in the City.

Supporting background material is included in the following Housing Element appendices:

- Appendix A: Community Outreach
- Appendix B: Land Resources
- Appendix C: Review of 2008-2014 Housing Element Performance
- Appendix D: Glossary

Public Review

The draft Housing Element was posted for public review in September 2013, and on September 24, 2013 the Planning Commission conducted a public hearing. In addition to the official public hearing notice, courtesy notice was also mailed to a variety of interested persons and organizations listed in Appendix A of the Draft Housing Element. During the Planning Commission hearing two persons spoke in regard to the housing needs of persons with developmental disabilities. At the conclusion of the hearing, the Planning Commission adopted a resolution (Attachment A) recommending City Council approval of the Housing Element amendment.

Following the Planning Commission hearing, a letter was submitted to the City from the Kennedy Commission, a non-profit advocacy organization (Attachment B). The Kennedy Commission offered recommendations regarding the prioritization of affordable housing in future developments, such as the area near the Metrolink station.

HCD Review

As required by state law, on September 27th the draft Housing Element was transmitted to HCD for review. During the 60-day HCD review period, staff responded to questions from HCD and made minor changes to the draft element to address those questions. All of those revisions represented clarification of technical information or existing City policy rather than policy changes. On November 22, 2013 HCD issued a letter (Attachment C) stating that the draft Housing Element will comply with state law upon its adoption and submittal to HCD. HCD's finding of compliance is also referred to as "certification" of the Housing Element, and is an

important achievement that strengthens the legal status of the General Plan and also expands the City's eligibility for grant funds.

Key Issues

The existing 2006-2014 Housing Element included programs to address significant changes in state law, including requirements related to regulations and procedures for emergency shelters, transitional and supportive housing, and reasonable accommodation for persons with disabilities. Within the past year amendments to the Municipal Code have been adopted to reflect new laws related to housing for persons with special needs. The draft 2013-2021 Housing Element represents a continuation of many of the policies and programs contained in the existing element, while other programs have been revised to reflect City accomplishments or changed circumstances. The most noteworthy changes to programs in the proposed amended element are related to the loss of redevelopment funding and City's obligations under the state mandate known as the RHNA.

Redevelopment Funding

Prior to its dissolution, the Redevelopment Agency generated set-aside funds that were used to improve or expand the supply of affordable housing. Housing Element programs that were previously supported with redevelopment funds have been revised to reflect the loss of those funds.

Regional Housing Needs Assessment (RHNA)

The Regional Housing Needs Assessment (RHNA) is mandated by state law and requires that each city accommodate its fair share of the region's housing need by adopting land use plans and regulations that provide for a variety of housing for all economic segments. The RHNA is linked to availability of adequate sites with appropriate zoning. Appendix B of the proposed Housing Element includes an analysis of the City's assigned share of housing needs and the availability of vacant and underutilized sites that can accommodate new housing development commensurate with the RHNA. Additionally, state law requires that cities adopt programs to encourage and facilitate new housing at all income levels.

Placentia's RHNA allocation for the new planning period is 492 housing units distributed among income categories as follows:

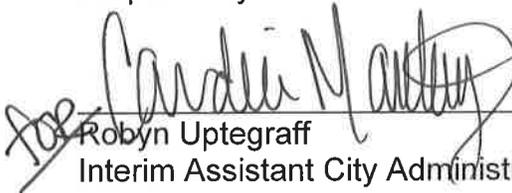
City of Placentia Regional Housing Needs Assessment 2013-2021						
	Extremely Low-Income ¹	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total
Number of Units	56	56	81	90	209	492
Notes: 1 Extremely Low-Income (ELI) is a subset of Very Low Income and the ELI need is assumed to be 50% of the Very Low-Income need.						
Source: SCAG 2012						

During the prior Housing Element planning period of 2006-2014, Placentia was assigned a RHNA allocation of 98 units, of which 38 units were in the extremely-low-, very-low- and low-income categories. Collectively, these three income categories are referred to as "lower-income." Under state law, a density of 30 units/acre is considered necessary to facilitate lower-income housing. Because the City did not have adequate sites with zoning that allowed this density in the prior planning period, those 38 lower-income units must be carried over and accommodated in the new planning period. Therefore, the City's obligation for the 2013-2021 planning period is to provide sites with appropriate zoning to accommodate at least 231 units at a density of 30 units/acre or more. This requirement is expected to be satisfied in a new Transit Oriented Development (TOD) zoning district near the proposed Metrolink station, as described in Program 1.8 on page 4-4 of the Draft Housing Element.

CEQA REVIEW:

Pursuant to the California Environmental Quality Act (CEQA) a Negative Declaration was adopted in 2010 in conjunction with the prior Housing Element Update. The 2013-2021 Housing Element update is not a regulatory document and would not convey any new development entitlements. As such, it does not raise any new environmental issues that were not considered as part of the prior Negative Declaration, and only minor technical changes to that document are needed to satisfy the requirements of CEQA for the proposed Housing Element update. Therefore, pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15164, an Addendum is the appropriate CEQA document for the 2013-2021 Housing Element update (Attachment D). Future housing development proposals will be reviewed for compliance with CEQA and subsequent analysis and mitigation measures may be required at that time.

Prepared by:


Robyn Uptegraff
Interim Assistant City Administrator

Reviewed and approved by:


Troy L. Butzlaff, ICMA-CM
City Administrator

Attachments:

- Attachment A: Planning Commission Resolution No. PC 2013-16
- Attachment B: Kennedy Commission letter dated November 5, 2013
- Attachment C: HCD letter dated November 22, 2013
- Attachment D: Addendum to Initial Study/Mitigated Negative Declaration 2010-01
- Attachment E: 2013-2021 Placentia Housing Element amendment
- Attachment F: City Council Resolution No. R-2014-__

RESOLUTION NO. PC-2013-16
GENERAL PLAN AMENDMENT NO. 2013-01

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF PLACENTIA RECOMMENDING THE CITY COUNCIL ADOPT GENERAL PLAN AMENDMENT NO. 2013-01 TO UPDATE THE HOUSING ELEMENT FOR PLANNING PERIOD 2013-2021 AS REQUIRED BY CALIFORNIA STATE LAW.

A. Recitals.

(i) On September 24, 2013 this Planning Commission conducted a duly noticed public hearing, as required by law, to consider General Plan Amendment 2013-01 with said public hearing having been concluded prior to adoption of this Resolution.

(ii) This Planning Commission has reviewed and considered all elements of proposed General Plan Amendment 2013-01, including written staff reports and verbal testimony presented during the above-referenced public hearing.

(iii) All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, the Planning Commission of the City of Placentia does hereby find, determine, and resolve as follows:

1. This Commission hereby specifically finds that all the facts as set forth in the Recitals, Part A, of this Resolution are true and correct.

2. This Commission finds, and recommends the City Council find, that General Plan Amendment No. 2013-01 is in conformance with the Placentia General Plan.

3. This Commission finds, and recommends the City Council find, that General Plan Amendment No. 2013-01 specified within the proposed Resolution attached hereto as "Exhibit A" and made a part hereof, will promote the orderly development of the City and the public health, safety and welfare.

4. This Commission finds, and recommends the City Council find, that General Plan Amendment No. 2013-01 will not have a detrimental effect upon land available for housing within the City.

5. General Plan Amendment No. 2013-01 responds to requirements of State and other laws, and provides findings, definitions, procedures and standards which support proactive land use, code enforcement and development activities within the City.

6. General Plan Amendment No. 2013-01 promotes implementation of the goals and policies set forth in the General Plan.

7. General Plan Amendment No. 2013-01 will not be (a) detrimental to the health, safety or general welfare of the persons residing or working within the City, or (b) injurious to property or improvements within the City. General Plan Amendment No. 2013-01 updates the Housing Element of the General Plan for planning period 2013-2021 to comply with California State law.

8. The Planning Commission hereby makes, and recommends the City Council make, the following finding: Pursuant to the California Environmental Quality Act (CEQA) a Negative Declaration was adopted in 2010 in conjunction with the prior Housing Element Update. The 2013-2021 Housing Element update is not a regulatory document and would not convey any development entitlements. As such, it does not raise any new environmental issues that were not considered as part of this prior Negative Declaration, and only minor technical changes to that document are needed to satisfy the requirements of CEQA for the proposed Housing Element update. Therefore, pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15164, an addendum is the appropriate CEQA document for the 2013-2021 Housing Element update.

9. The Planning Commission hereby recommends that, upon adoption by the City Council of General Plan Amendment No. 2013-01, a Notice of Determination be filed with the Orange County Clerk/Recorder, as required by law.

10. This Commission finds, and recommends the City Council find, that the facts supporting the above specified findings are contained in the staff report and exhibits,

and information provided to this Planning Commission during the public hearing conducted with respect to General Plan Amendment No. 2013-01.

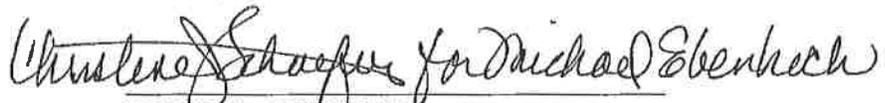
11. This Commission hereby recommends that the City Council of the City of Placentia approve General Plan Amendment No. 2013-01 as specified within "Exhibit A" attached hereto.

12. The Secretary of this Commission shall:

a. Certify to the adoption of this Resolution; and

b. Forthwith transmit a certified copy of this Resolution to the City Council of the City of Placentia together with all documents prepared with respect to these considerations and transcripts of any and all hearings conducted with respect to the Resolution recommended for approval herein.

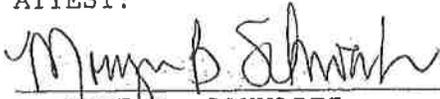
PASSED AND ADOPTED this 24th day of September, 2013, by the following vote:


MICHAEL EBENHOCH, CHAIRMAN

I, Monique B. Schwartz, Secretary to the Planning Commission of the City of Placentia, do hereby certify that the foregoing Resolution was introduced and passed at an adjourned regular meeting of the Planning Commission of the City of Placentia held on the 24th day of September, 2013, by the following vote:

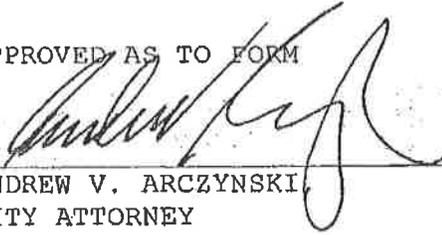
AYES:	COMMISSION MEMBERS: SCHAEFER, TOMAZIC, PEREZ, SCHENCK
NOES:	COMMISSION MEMBERS: NONE
ABSENT:	COMMISSION MEMBERS: EBENHOCH, SOLOMONSON, HILL
ABSTAINED:	COMMISSION MEMBERS: SCHENCK

ATTEST:



MONIQUE B. SCHWARTZ,
SECRETARY TO THE PLANNING COMMISSION

APPROVED AS TO FORM



ANDREW V. ARCZYNSKI,
CITY ATTORNEY

November 5, 2013



www.kennedycommission.org
17701 Cowan Ave., Suite 200
Irvine, CA 92614
949 250 0909
Fax 949 263 0647

Mr. Ray Pascua, Development Services Manager
City of Placentia
401 E. Chapman Avenue
Placentia, CA 92870

RE: Comments on Draft 2014-2021 Housing Element Update (September 2013)

Dear Mr. Pascua:

Thank you for the opportunity to review and comment on the City of Placentia 2014-2021 draft Housing Element. We have reviewed the draft and are submitting this letter to provide public comments.

The Kennedy Commission (the Commission) is a broad based coalition of residents and community organizations that advocates for the production of homes affordable for families earning less than \$20,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering and working with Orange County jurisdictions to create effective housing and land-use policies that has led to the new construction of homes affordable to lower income working families.

As the City moves forward with the draft Housing Element update, the Commission urges the City to continue it's support for the development of affordable homes. The Commission has provided the following recommendations for the City to incorporate:

1. Continue the City's partnership with the Commission to facilitate the development of affordable rental homes for lower income working families in the City.
2. Commit the East Packing House city-owned sites, especially if the sites were purchased with former Redevelopment Agency funds, to be developed exclusively affordable for lower income families. Specifically, the City should create a Request for Proposals (RFPs) on city-owned sites to affordable home developers who would effectively leverage the land and funding to create deeper affordability levels.
3. Provide attractive by-right incentives and concessions of certain development standards in the Transit Oriented Development Zone that developers are not otherwise entitled to, in exchange for a dedication of a minimum of 20% of homes affordable to extremely low-, very low- and low-income families.
4. Revise and strengthen Housing Program HE-1.2 to: Encourage and Facilitate Affordable Homes for Lower Income Families Near Transportation, Employment and Services. The City identifies the TOD zone sites to have the "greatest potential or opportunity for

affordable homes...”¹ and will address the City’s lower income RHNA need. Please refer to the City of Santa Ana’s proposed mixed-use development, the Depot at Santiago as a model that can be implemented in the City. The development is comprised of 70 units that are 100% affordable to lower income families and is located right across the street from the Santa Ana Regional Transportation Center.

5. Prioritize and commit potential funding sources (e.g., SERAF repayments and boomerang funds) in Housing Production Strategy 1D for proposed extremely low-income affordable rental developments that leverage additional funding sources (e.g., Low-Income Housing Tax Credits). For sample language, please refer to the City of Yorba Linda’s Housing Program 5- Affordable Housing Development Assistance.
6. Encourage the development of housing affordable to extremely low-income households through application processing fee waivers for proposed developments with a minimum of ten percent very low-income homes (e.g., please refer to Huntington Beach’s 2014-2021 Housing Element Program 14).
7. Include outreach to non-profit affordable home developers when the City begins to solicit proposals for transit-oriented developments and build partnerships in Program HE-1.15: Transit Oriented Development.
8. Revise Program HE-1.18: Encourage and Facilitate Lot Consolidation to **only** provide a lot consolidation density incentive for developments that provide affordable rental homes for lower income families.
9. Implement a program that will set-aside a percentage of new rental homes that are affordable to persons with developmental disabilities and pursue funding sources designated for persons with special needs and disabilities. Please refer to the California State Department of Housing and Community Development Department’s Sample Programs:²
 - a. Program Sample 2: Develop a program to provide rental assistance to fill the gap between income levels and the cost of housing for persons with Developmental Disabilities.
 - b. Program Sample 3: Explore models to encourage the creation of housing for persons with developmental disabilities and implement a program by 2015.

¹ City of Placentia Housing Element 2013-2021, p. B-5, September 2013.

² “Persons with Developmental Disabilities SB 812 (Ashburn), Chapter 507, Statutes of 2010,” Memorandum by the Department of Housing and Community Development, p. 12, June 21, 2012.

10. Confirm in the draft Housing Element (e.g., under Emergency Shelters on page 3-9) where the zoning code allows for the development of emergency shelters by-right. In addition, evaluate on an annual basis how successful the identified zones have been to facilitate the development of emergency homeless shelters.

For the 2014-2021 Housing Element planning period, the City has a Regional Housing Needs Assessment (RHNA) of 112 very low- and 81 low-income households; however, the City has an additional carry-over of 38 lower income homes from the 2008-2014 planning period. To address the lower income RHNA housing goals, the City identified 11 sites for the development of homes affordable to lower income working families: The East Packing House (three parcels, in which two are city-owned, with capacity of 84 units); The West Packing House (one parcel

with capacity of 97 units) and; the Crowther Corridor (six parcels with capacity of 252 units). **With the remaining lower income RHNA need of 231 homes, it is important that the City create effective policies and programs that encourage and facilitate the development of homes affordable to lower income families.**

The need to increase quality affordable rental homes remains a high priority in the City. While the economic downturn is slowly recovering and for-sale homes have been on the rise in the County, the cost to rent apartment homes are also on the rise. The City's average rent for large apartment complexes was \$1,590 per month and the City had the largest percentage increase in the County at 9.7%.³ According to the California Department of Housing and Community Development, a household of four that earn less than \$77,000 fall under the lower income categories⁴ and 38 percent of the City's households were lower income.⁵ Approximately 20% of the City's renter households live in overcrowded conditions⁶ and 87% of lower income households overpaid for housing costs.⁷ With lower wages that are not keeping up with rising rents, many renting families continue to struggle financially to live and work in this City.

Conclusion

Given the importance of the draft 2014-2021 Housing Element update, the Commission welcomes the opportunity to continue our dialogue on how we can partner with City staff to ensure that the draft Housing Element includes specific policies that will result in new affordable homes for extremely low, very low and low-income working families.

³ "Newport Rents Climb \$195 A Month, Report Says," Orange County Register, May 2, 2013.

⁴ "State Income Limits for 2013 Reflecting New State Hold Harmless Policy", California Department of Housing and Community Development, p. 10, Feb. 25, 2013.

⁵ City of Placentia Housing Element 2013-2021, p. 2-7, September 2013.

⁶ City of Placentia Housing Element 2013-2021, p. 2-6, September 2013.

⁷ City of Placentia Housing Element 2013-2021, p. 2-8, September 2013.

Mr. Ray Pascua
November 5, 2013
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Please keep us informed of any revisions, updates and meetings regarding the draft 2014-2021 Housing Element and if you have any questions, please free to contact me at (949) 250-0909 or cesarc@kennedycommission.org.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cesar Covarrubias". The signature is written in dark ink and is positioned above the printed name and title.

Cesar Covarrubias
Executive Director

cc: Mario Angel, California Housing and Community Development Department

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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November 22, 2013

Mr. Troy L. Butzlaff, City Administrator
City of Placentia
401 East Chapman Avenue
Placentia, CA 92870

Dear Mr. Butzlaff:

RE: Review of the City of Placentia's 5th Cycle (2013-2021) Draft Housing Element

Thank you for submitting the City of Placentia's draft housing element received for review on September 27, 2013 along with additional revisions on November 20, 2013. The Department is reporting the results of its review, pursuant to Government Code Section 65585(b). The review was facilitated by communications with Mr. John Douglas the City's consultant. In addition, the Department considered comments from Kennedy Commission pursuant to Government Code Section 65585(c).

The draft element addresses the statutory requirements of State housing element law. As a result, the element will comply with Article 10.6 of the Government Code once adopted and submitted to the Department, pursuant to Section 65585(g).

To remain on an eight year planning cycle, pursuant to Senate Bill 375 (Chapter 728, Statutes of 2008) the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2013 for Southern California Association of Government localities. If adopted after this date, the City will be required to revise the housing element every four years until adopting at least two consecutive revisions by the statutory deadline (Government Code Section 65588(e)(4)). For more information on housing element adoption requirements, please visit our website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/he_review_adoptionsteps110812.pdf.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

The Department appreciates the City's efforts and cooperation throughout the review of the housing element and looks forward to receiving Placentia's adopted housing element. If you have any questions or need additional technical assistance, please contact Mario Angel, of our staff, at (916) 263-7442.

Sincerely,

A handwritten signature in cursive script that reads "Glen A. Campora".

Glen A. Campora
Assistant Deputy Director

**Addendum to
Initial Study/Mitigated Negative Declaration No. 2010-01 adopted for the
City of Placentia 2008-2014 Housing Element**

September 2013

Overview

On March 2, 2010 the Placentia City Council certified Mitigated Negative Declaration No. 2010-01 prepared for the Placentia 2008-2014 General Plan Housing Element. The City is now required to adopt an updated Housing Element for the 2013-2021 planning period. The purpose of this Addendum is to demonstrate that the 2013-2021 Housing Element update would not result in any of the conditions under which a subsequent EIR or Negative Declaration would be required pursuant to CEQA Guidelines Section 15164.

Purpose of an Addendum

CEQA Guidelines Section 15164(b) states: *"An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred."* The following analysis demonstrates that the 2013-2021 Housing Element update does not raise any new environmental issues and requires only minor technical changes or additions to the previous Negative Declaration to satisfy the requirements of CEQA for the proposed Housing Element update.

Public Review Process for an Addendum

CEQA Guidelines Section 15164(c) and 15164(d) state: *"An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration. The decision making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project."*

Project Description: 2013-2021 Housing Element Update

The City's 2008-2014 Housing Element was found to be in full compliance with state law by the California Department of Housing and Community Development. No major changes to conditions, requirements or the statutory framework have occurred with respect to the Housing Element. Most of the policies and programs contained in the 2013-2021 Housing Element update reflect a continuation of current City housing policies. The following discussion summarizes the proposed changes contained in each section of the draft 2013-2021 Housing Element.

Section 1: Introduction

This section provides an overview of the element and reflects current data sources and a summary of the public participation process. A discussion of the public review process is also included.

Section 2: Housing Needs Assessment

This section has been revised to reflect current demographic data, trends and special housing needs. Most of the demographic information is based on the 2010 Census or the American

Community Survey. This chapter also includes the new Regional Housing Needs Assessment, which describes housing growth needs for the new planning period.

Regional Housing Needs Assessment (RHNA)

Housing Element law requires a quantification of each jurisdiction's share of the regional housing need as established in the Regional Housing Need Assessment (RHNA). The RHNA is prepared by the Southern California Association of Governments (SCAG) in consultation with member jurisdictions and sub-regional councils of governments such as the Orange County Council of Governments (OCCOG). The RHNA is based on forecasted population growth during the new planning period, and the number of additional housing units needed to accommodate additional household growth at all income levels. Each locality's RHNA is distributed among the following five income categories:

**Income Categories and Affordable Housing Costs
 Orange County**

2013 County Median Income = \$87,200	Annual Income Limits	Affordable Monthly Rent	Affordable Price (est.)
Extremely Low (<30%)	\$28,900	\$723	--
Very Low (31-50%)	\$48,150	\$1,204	--
Low (51-80%)	\$77,050	\$1,926	\$260,000
Moderate (81-120%)	\$104,650	\$2,616	\$400,000
Above moderate (120%+)	\$104,650+	\$2,616+	\$400,000+
<i>Assumptions:</i> -Based on a family of 4 -30% of gross income for rent or Principal/Interest/Taxes/Insurance -10% down payment, 4.5% interest, 1.25% taxes & insurance, \$200 HOA dues Source: Cal. HCD; J.H. Douglas & Associates			

The RHNA allocation for Placentia in the new planning period is 491 units, with the income distribution as shown in the following table. This allocation is consistent with the regional growth forecast and Regional Transportation Plan/Sustainable Communities Strategy.

Placentia 2014-2021 Regional Housing Growth Needs

	Total Construction Need	Very-low Income	Low Income	Moderate Income	Above-moderate Income
Number of Units	491	112¹	81	90	209

Notes:

¹ Regional housing needs allocation for extremely-low income units is 56 units (assumed 50% of the very-low income share).

Source: Regional Housing Needs Assessment, SCAG 2012

It is important to note that the RHNA establishes a planning goal, and cities are not required to build, subsidize or issue permits for the number of housing units allocated through the RHNA process. Rather cities are required to demonstrate there are adequate sites with appropriate zoning that could accommodate the amount of new housing in the RHNA, if property owners and developers choose to pursue such development opportunities. Under state law, properties with zoning that allows residential development at a density of at least 30 units/acre are considered suitable for lower-income housing.

The Housing Element includes Program 1-8 to process amendments to the General Plan and zoning to accommodate 231 housing units at a density of 30 units/acre consistent with the RHNA. This total includes a carryover of 38 lower-income units from the prior planning period. Since the specific location and standards for these future amendments are not known at this time, they will be evaluated under CEQA as part of the review and decision-making process.

Section 3: Resources and Constraints

This section describes the City's land resources that are available to accommodate the new RHNA, as well as financial and administrative resources, and opportunities to foster energy conservation. The most noteworthy change is the state's dissolution of redevelopment agencies in 2012. This chapter also analyzes the City's plans and regulations that guide housing development. The changes reflect the adoption of several state-mandated Code amendments related to housing for persons with special needs that were included in the implementation programs of the 2008-2014 Housing Element.

Section 4: Housing Plan

The Housing Policy Plan presents the City's goals, policies and programs for the 2013-2021 planning period. The most noteworthy changes in this chapter reflect the completion of the state-mandated Code amendments related to housing for persons with special needs, the elimination or modification of some housing programs that were previously funded by the redevelopment agency, and the actions needed to accommodate the RHNA as described above.

Appendix A: Community Outreach

This appendix summarizes opportunities for residents and interested stakeholders to participate in the preparation of the new Housing Element.

Appendix B: Residential Land Inventory

This appendix includes a parcel-specific listing of sites where housing development could occur, and compares the inventory to the City's RHNA allocation.

Appendix C: Evaluation of the 2008-2014 Housing Element

This appendix contains a review of the goals, policies and programs from the previous element and identifies the City's accomplishments as well as changes that are appropriate for the new planning period based on changed circumstances.

Environmental Analysis and Conclusion

Because the 2013-2021 Housing Element is not a regulatory document, it does not convey entitlements for development. Prior to approval of any residential development, subsequent CEQA review will be required and appropriate mitigation measures will be required. No new significant environmental effects would occur that were not previously analyzed in the Negative Declaration prepared for the 2008-2014 Housing Element. Therefore, pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15164, an addendum is the appropriate CEQA document for the 2013-2021 Housing Element update. There is no substantial evidence suggesting that the proposed Housing Element amendment will result in significant environmental impacts not otherwise addressed in the previous Negative Declaration. Consequently, a subsequent or supplemental IS/ND is not required.

City of Placentia Housing Element 2013-2021

Proposed Final
December 2013

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Chapter 1: Introduction

This Housing Element provides the identification and analysis of existing and projected housing needs and articulates the City's official policies for the preservation, conservation, improvement, and production of housing within the City of Placentia for the 2013-2021 planning period.

1.1 Purpose and Content

The City of Placentia's Housing Element addresses adequate housing opportunities for present and future residents through 2021 and provides the primary policy guidance for local decision-making related to housing.

California Government Code §65583 requires a jurisdiction's Housing Element include the following components:

- A review of the previous Element's goals, policies, objectives and programs to ascertain the effectiveness of each of these components, as well as the overall effectiveness of the Housing Element;
- An assessment of housing need and an inventory of resources and constraints related to meeting these needs;
- A statement of goals, policies and quantified objectives related to the maintenance, preservation, improvement and development of housing; and,
- A policy program that provides a schedule of actions that the City is undertaking or intends to undertake implementing the policies set forth in the Housing Element.

1.2 Housing Element Update Process

The California State Legislature has identified the attainment of a decent home and suitable living environment for every Californian as the state's main housing goal. Recognizing the important part that local planning programs play in pursuit of this goal, the Legislature has mandated that all cities and counties prepare a Housing Element as part of their comprehensive General Plans (*California Government Code* §65302(c)).

This Housing Element update covers the planning period from October 2013 to October 2021. State planning law mandates that jurisdictions review and update their Housing Elements every eight years in order to remain relevant and useful and reflect the community's changing housing needs.

1.3 State Law and Local Planning

Consistency with State Law

The Housing Element is one of the seven General Plan elements required by the State of California, as articulated in §65580 to §65589.8 of the *California Government*



Code. It is the only General Plan Element that requires review by the State of California. State law requires that each jurisdiction’s Housing Element consist of “an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled program actions for the preservation, improvement, and development of housing.” The Housing Element plans for the provision of housing for all segments of the population.

Section 65583 of the *Government Code* sets forth specific requirements regarding the scope and content of each Housing Element. Table 1-1 summarizes these requirements and identifies the applicable sections in the Housing Element where these requirements are addressed.

Table 1-1 - State Housing Element Requirements	
Required Housing Element Component	Reference
A. Housing Needs Assessment	
1. Analysis of population trends in Placentia in relation to countywide trends	Chapter 2
2. Analysis of employment trends in Placentia in relation to regional trends	Chapter 2
3. Projections and quantification of Placentia’s existing and projected housing needs for all income groups	Chapter 2
4. Analysis and documentation of the city’s housing characteristics, including:	
a. Level of housing cost compared to ability to pay	Chapter 2
b. Overcrowding	Chapter 2
c. Housing stock condition	Chapter 2
5. An inventory of land suitable for residential development including vacant sites and having redevelopment potential and an analysis of the relationship of zoning, public facilities and services to these sites	Appendix B
6. Analysis of potential and actual governmental constraints upon the maintenance, improvement , or development of housing for all income levels	Chapter 3
7. Analysis of potential and actual nongovernmental constraints upon the maintenance, improvement , or development of housing for all income levels	Chapter 3
8. Analysis of special housing need: elderly, persons with disabilities, large families, farm workers, and families with female heads of household	Chapter 2
9. Analysis of housing needs for families and persons in need of emergency shelter	Chapter 2
10. Analysis of opportunities for energy conservation with respect to residential development	Chapter 3
11. Analysis of assisted housing developments that are eligible to convert from lower-income housing to market rate housing during the next 10 years	Appendix B
B. Goals and Policies	
12. Identification of goals, quantified objectives and policies relative to maintenance, improvement and development of housing	Chapter 4
C. Implementation Program	
13. Identify adequate sites which will be made available through appropriate action with required public services and facilities for a variety of housing types for all income levels	Appendix B
14. Programs to assist in the development of adequate housing to meet the needs of Extremely Low , Very Low , Low and Moderate-Income households.	Chapter 4
15. Address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement , and development of housing	Chapter 4



Table 1-1 - State Housing Element Requirements

Required Housing Element Component	Reference
16. Remove constraints to or provide reasonable accommodations for housing for persons with disabilities	Chapter 4
17. Conserve and improve the condition of the existing affordable housing stock in Placentia	Chapter 4
18. Promote housing opportunities for all persons	Chapter 4
19. Identify programs to address the potential conversion of assisted housing development to market-rate housing	Chapter 4
20. Program actions to identify zones where emergency shelters are permitted without a conditional use or other discretionary permit and with the capacity to meet the needs of individuals and persons needing emergency shelter.	Chapter 4

General Plan Consistency

The *California Government Code* requires internal consistency among the various elements of a General Plan. Section 65300.5 of the *Government Code* states that the General Plan’s various Elements shall provide an integrated and internally consistent and compatible statement of policy. The City has reviewed the other elements of the General Plan and has determined that this Housing Element provides consistency with the other Elements of the General Plan. The City will maintain this consistency as future General Plan amendments are processed by evaluating proposed amendments for consistency with all elements of the General Plan.

Relationship to Other Plans and Programs

The Housing Element identifies goals, objectives, policies, and action programs for the next eight years that directly address the housing needs of Placentia. Other City plans and programs that work to implement the goals and policies of the Housing Element include the City’s Municipal Code, Specific Plans, Capital Improvement Program and the annual budget process.

1.4 Housing Element Organization

The Housing Element is organized into four sections:

- Chapter 1: Introduction describes the purpose, organization and requirements of the Housing Element;
- Chapter 2: Housing Profile analyzes the demographic, economic and housing trends in Placentia and describes the housing needs of the city;
- Chapter 3: Resources and Constraints Analysis analyzes the governmental and non-governmental constraints to and resources for housing; and,
- Chapter 4: Housing Policy Program provides goals and policy actions for the construction, conservation, rehabilitation, and preservation of housing in Placentia.

Supporting background material is included in the following appendices:

- Appendix A: : Community Outreach
- Appendix B: Residential Land Resources
- Appendix C: Review of Housing Element Performance
- Appendix D: Glossary

1.5 Citizen Participation

This Housing Element was developed through the combined efforts of City staff, the Planning Commission, the City Council, and the City's residents and stakeholders. Citizen input was received through website postings, public workshops and public hearings conducted by the Planning Commission and City Council. The notices for these workshops and hearings were published in a local newspaper, on the City's website and prominently posted at City Hall and other public facilities. Throughout the process, organizations that represent the interests of lower-income and special needs households, or are otherwise involved in the development of housing, were invited to participate in the preparation and review of the Housing Element.

The following stakeholders were invited to participate in the Housing Element update process:

- Orange County Rescue Mission
- Building Industry Association
- Placentia Chamber of Commerce
- Public Law Center
- Fair Housing Council of Orange County
- Jamboree Housing Corporation
- Adult Mental Health Services
- Community of Friends
- Land Acquisition
- Orange County Business Council
- Kennedy Commission
- Southern California Association of Governments
- Orange County Community Housing Corporation
- Rebuilding Together Orange County
- Neighborhood Housing Services of Orange County
- Mercy Housing
- Orange County Council of Governments
- Mary Erickson Community Housing
- Orange County Housing Providers
- Orange County Community Resources Department
- Irvine Housing Opportunities
- League of Women Voters
- Heritage Community Housing, Inc.
- H.I.S. House (Homeless Intervention Services)



Comments received through the City's outreach activities have been considered in the development of the Housing Policy Program provided in Chapter 4 of this Housing Element. Additional information regarding the public participation process is provided in Appendix A.



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Chapter 2: Housing Profile

2.1 Introduction

When preparing the Housing Element, jurisdictions must evaluate existing and future housing needs for all income groups.

This section analyzes demographic and housing characteristics that influence the demand for and availability of housing. The analyses form a foundation for establishing programs and policies that seek to address identified housing needs. Housing needs are identified according to income, tenure, and special needs groups. Finally, the City's projected housing growth needs based on the 2014-2021 Regional Housing Needs Assessment (RHNA) are examined.

Primary data sources include the U.S. Census, the California Department of Finance, the Southern California Association of Governments, and other relevant data sources. These data sources are the most reliable for assessing existing conditions and provide a basis for consistent comparison with historical data and the basis for forecasts.

2.2 Community Profile

Population Trends and Characteristics

Housing needs are generally influenced by population and employment trends. This section provides a summary of the changes to the population size, age and racial/ethnic composition of Placentia.

Historical, Existing and Forecast Growth

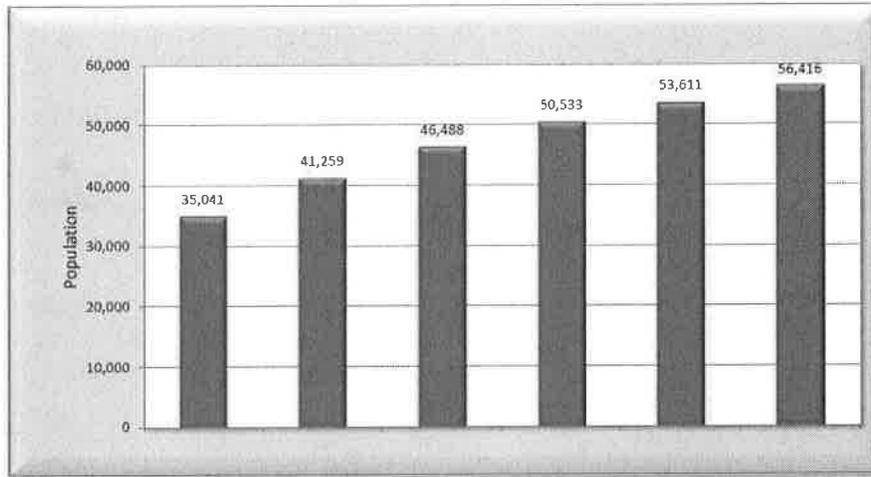
The City of Placentia is one of the 34 cities within Orange County. The Department of Finance estimates Orange County's population at 3,055,792 in 2012, ranking as the third largest county in the state. Orange County was the second largest county in California in 2000 with 2,846,289 residents. Overall, the county has experienced rapid population growth over the last two decades. From 1990 to 2000, the population increased by 18.1 percent. From 2000 to 2012, the County population increased by 7.4 percent (see Table 2-1).

According to the U.S. Census Bureau and the California Department of Finance, Placentia experienced a 12.7 percent population increase between 1990 and 2000 and a 11.4 percent increase between 2000 and 2013 (see Table 2-1). As shown on Figure 2-1, the Center for Demographic Research at Cal State Fullerton forecasts a leveling in population growth rate with a projected population of 56,416 in 2030.

	1990	2000	2013	Growth 1990-2000	Growth 2000=2013
Placentia	41,259	46,488	51,776	12.7%	11.4%
Orange County	2,410,556	2,846,289	3,081,804	18.1%	8.3%

Source: U.S. Census, California Dept. of Finance Table E-5 (2013)

Figure 2-1 – Population Growth Forecast – 1980-2030, City of Placentia



Source: U.S. Census and CSUF Center for Demographic Research

Age Composition

Housing needs are influenced by the age characteristics of the population. Different age groups require different accommodations based on lifestyle, family type, income level, and housing preference. Table 2-2 provides a comparison of the city's and county's population by age group in 2010. This table shows that the age distribution of the city's population is very similar to Orange County as a whole. The median age of the city's population (36.0) is almost identical to the county's median age (36.2).

Age Group	Placentia		Orange County	
	Persons	%	Persons	%
Under 5 years	3,327	7%	191,691	6%
5 to 9 years	3,423	7%	198,769	7%
10 to 14 years	3,394	7%	210,195	7%
15 to 19 years	3,719	7%	227,689	8%
20 to 24 years	3,784	7%	213,601	7%
25 to 29 years	3,692	7%	215,362	7%
30 to 34 years	3,197	6%	198,166	7%
35 to 39 years	3,488	7%	213,605	7%
40 to 44 years	3,568	7%	225,438	7%
45 to 49 years	3,601	7%	230,596	8%
50 to 54 years	3,413	7%	213,589	7%
55 to 59 years	2,923	6%	175,127	6%
60 to 64 years	2,661	5%	146,727	5%
65 to 69 years	2,019	4%	107,421	4%
70 to 74 years	1,486	3%	80,033	3%
75 to 79 years	1,181	2%	63,133	2%
80 to 84 years	892	2%	49,570	2%
85 years and over	765	2%	49,520	2%
Total	50,533	100%	3,010,232	100%
Median age	36.0		36.2	

Source: 2010 Census, Table DP-1



Race and Ethnicity

Placentia residents are predominantly comprised of two racial/ethnic groups: White and Hispanic. According to 2010 Census data, 45 percent of Placentia residents were White and 36 percent were of Hispanic origin. The Asian population was the third largest ethnic group in the city comprising approximately 15 percent of the population.

Racial/Ethnic Group	Placentia		Orange County	
	Persons	%	Persons	%
Not Hispanic or Latino	32,117	64%	1,997,259	66%
- White	22,590	45%	1,328,499	44%
- Black or African American	818	2%	44,000	1%
- American Indian/Alaska Native	123	0%	6,216	0%
- Asian	7,457	15%	532,477	18%
- Native Hawaiian/Pacific Islander	58	0%	8,357	0%
- Other races or 2+ races	1,071	2%	77,710	3%
Hispanic or Latino (any race)	18,416	36%	1,012,973	34%
Total	50,533	100%	3,010,232	100%

Source: 2010 Census, Table DP-1

Employment Trends

Current employment and projected job growth have a significant influence on housing needs during this planning period. Table 2-4 shows that the city had a workforce of 25,851 persons, or 68 percent of the working-age population, as reported in recent Census data. This table shows that the characteristics of the city's population are very similar to those countywide with an almost identical proportion of the working-age population in the labor force (68 percent city versus 67 percent county).

Labor Force Status	Placentia		Orange County	
	Persons	%	Persons	%
Population 16 years and over	38,067	100%	2,315,782	100%
In labor force	25,851	68%	1,559,264	67%
Civilian labor force	25,851	68%	1,556,696	67%
Employed	24,135	63%	1,442,008	62%
Unemployed	1,716	5%	114,688	5%
Armed Forces	0	0%	2,568	0%
Not in labor force	12,216	32%	756,518	33%

Source: Census 2006-2010 ACS, Table DP3

As shown in Table 2-5, approximately 40 percent of Placentia residents were employed in management and professional occupations. A significant number (29 percent) were employed in sales and office-related occupations. A relatively low percentage of workers (13 percent) were employed in service-related occupations such as waiters, waitresses, and beauticians. Blue collar occupations such as machine operators, assemblers, farming, transportation, handlers, and laborers constituted 17 percent of the workforce.



Table 2-5 – Employment by Occupation

Occupation	Placentia	
	Persons	%
Civilian employed population 16 years and over	24,135	100%
Management, business, science, and arts occupations	9,714	40%
Service occupations	3,154	13%
Sales and office occupations	7,096	29%
Natural resources, construction, and maintenance occupations	1,808	7%
Production, transportation, and material moving occupations	2,363	10%

Source: U.S. Census 2006-2010 ACS, Table DP3

Table 2-6 lists the major private employers located in Placentia based on total revenue. While this list does not indicate the number of persons employed at each company, it provides information on the types of businesses and potential employment opportunities found in Placentia.

Table 2-6 – Major Employers in Placentia – 2012

- Interface Rehab, Inc.
- Tenet Healthsystem Medical, Inc
- Customline Screenprinting
- Toll Brothers, Inc.
- Placentia Yorba Linda School District

Source: Harris InfoSource, 2012

According to recent Census data, 81.3 percent of employed Placentia residents worked in Orange County, and approximately 14.5 percent of all workers were employed within the city limits (Table 2-7).

Table 2-7 – Job Location for Placentia Residents

Workplace Location	%
Worked in state of residence	99.5%
Worked in county of residence	81.3%
Worked in place of residence	14.5%
Worked outside county of residence	18.2%
Worked outside state of residence	0.5%

Source: Census 2006-2010 ACS, Table S0801

Household Characteristics

This section describes Placentia’s housing occupancy characteristics. Household characteristics are important indicators of the type and size of housing needed in a city. The U.S. Census Bureau defines a “household” as all persons living in a single housing unit, whether or not they are related. One person living alone is considered a household, as is a group of unrelated people living in a single housing unit. Persons in group quarters, such as dormitories, retirement or convalescent homes, or other group living situations are included in population totals, but are not considered households. The U.S. Census Bureau defines a family as related persons living within a single housing unit.



Household Formation and Composition

Table 2-8 provides a comparison of households by type for the city and Orange County as a whole, as reported in the 2010 Census. Family households comprised approximately 76 percent of all households in the city, a 5 percent increase over the county with 71 percent. The household composition of the city is similar to that of the county with no greater than a three percent difference in each reported category. However, the city's average household size of 3.07 is somewhat higher than Orange County as a whole (2.99).

Household Type	Placentia		Orange County	
	Households	%	Households	%
Family households:	12,366	76%	708,491	71%
Husband-wife family	9,399	57%	538,268	54%
With own children under 18 years	4,350	27%	258,719	26%
Male householder, no wife present	897	5%	54,615	6%
With own children under 18 years	345	2%	22,972	2%
Female householder, no husband present	2,070	13%	115,608	12%
With own children under 18 years	875	5%	53,896	5%
Nonfamily households:	3,999	24%	284,290	29%
Householder living alone	2,880	18%	207,849	21%
Households with individuals under 18 years	6,310	39%	375,387	38%
Households with individuals 65 years and over	4,468	27%	252,420	25%
Total households	16,365	100%	992,781	100%
Average household size	3.07		2.99	

Source: 2010 Census, Table DP-1

Household Size and Overcrowding

The distribution of households by size and tenure is shown in Table 2-9. Just under half of owner households contained only one or two persons, while about 14 percent of owner households had five or more persons. The household size distribution was similar among renters, with 47% containing one or two persons and 17 percent having five or more persons (see also the discussion of large families in the Special Needs section later in this chapter).

Household Size	Owner		Renter	
	Households	%	Households	%
1 person	1,794	17%	1,254	24%
2 persons	3,417	32%	1,216	23%
3 persons	1,677	16%	1,157	22%
4 persons	2,364	22%	761	14%
5 persons	917	9%	382	7%
6 persons	372	3%	214	4%
7 persons or more	214	2%	344	6%
Total households	10,755	100%	5,328	100%

Source: U.S. Census 2006-2010 ACS, Table B25009



Overcrowding is defined as households having more than one person per room, excluding bathrooms and kitchens, with severe overcrowding when there are more than 1.5 occupants per room. Overcrowding can affect the health and well-being of residents, reduce the quality of the physical environment and contribute to physical deterioration of housing units.

Table 2-10 summarizes recent Census estimates of overcrowding in Placentia compared to the county as a whole. Approximately 3.7 percent of owner households and 19.9 percent of renter households in Placentia reported overcrowding, which is slightly higher than overcrowding rates for the entire county.

Occupants per Room	Placentia		Orange County	
	Units	%	Units	%
Owner occupied units	10,755	100%	599,032	100%
1.01 to 1.50	296	2.8%	18,297	3%
1.51 to 2.00	92	0.9%	4,962	1%
2.01 or more	0	0.0%	1,527	0.3%
Renter occupied units	5,328	100%	385,471	100%
1.01 to 1.50	623	12%	38,874	10%
1.51 to 2.00	253	4.7%	18,709	5%
2.01 or more	169	3.2%	7,508	2%

Source: Census 2006-2010 ACS, Table B25014

Household Income and Overpayment

The federal Department of Housing and Urban Development (HUD) generates an annual median family income for the purpose of determining program eligibility. The 2013 Median Family Income (MFI) for all jurisdictions in Orange County was reported as \$87,200.

The State of California uses five income categories to determine housing affordability. These categories are as follows:

- Extremely-low income: 30 percent or less of the median income;
- Very-low income: 31 percent to 50 percent of the median income;
- Low income: 51 percent to 80 percent of the median income;
- Moderate income: 81 percent to 120 percent of the median income; and,
- Above-moderate income: greater than 120 percent of the median income.

Income categories are adjusted for family size. Table 2-11 shows the income limits for each income category based on household size, as reported by the California Department of Housing and Community Development for Orange County.



Table 2-11 – 2013 Income Limits by Category and Family Size, Orange County

Income Category	Number of Persons in Family							
	1 Person	2 Persons	3 Persons	4 Person	5 Persons	6 Persons	7 Persons	8 Persons
Extremely Low	20,250	23,150	26,050	28,900	31,250	33,550	35,850	38,150
Very-Low	33,750	38,550	43,350	48,150	52,050	55,900	59,750	63,600
Low	53,950	61,650	69,350	77,050	83,250	89,400	95,550	101,750
Median	61,050	69,750	78,500	87,200	94,200	101,150	108,150	115,100
Moderate	73,250	83,700	94,200	104,650	113,000	121,400	129,750	138,150

Source: State of California, Department of Housing and Community Development-Division of Housing Policy Development, 2/13/2013.

Recent Census ACS estimates of the household income distribution for Placentia are shown in Table 2-12.

Income Category	% of Households
Extremely Low	11.0%
Very Low	12.0%
Low	14.9%
Moderate	19.0%
Above Moderate	43.1%

Source: SCAG based on 2005-09 ACS

Extremely Low Income Households

Extremely-low income (“ELI”) households are defined as households with income less than 30 percent of the MFI, which is approximately \$28,900 for a 4-person household in Orange County. The provisions of *Government Code* §65583(a)(1) require quantification and analysis of existing and projected housing needs of ELI households. As noted in Table 2-12 above, recent Census data estimated that approximately 11 percent of Placentia households were within the ELI category. As noted in Table 2-13 below, approximately 89 percent of ELI owner households and 96 percent of ELI renter households were reported to be overpaying for housing (i.e., more than 30 percent of gross income for housing expenses). ELI households often have other housing problems such as overcrowding due to insufficient incomes to afford large enough dwellings.



Table 2-13 – Housing Overpayment by Income Category

Income Category	Owners		Renters	
	Households	Percent	Households	Percent
Extremely low households	265		365	
Households overpaying	235	88.7%	350	95.9%
Very low households	1,385		1,860	
Households overpaying	900	65.0%	1,690	90.9%
Low households	1,445		1,120	
Households overpaying	615	42.6%	860	76.8%
Subtotal: All lower-income households	3,095		3,345	
Subtotal: Households overpaying	1,750	56.5%	2,900	86.7%
Moderate households	1,925		1,210	
Households overpaying	975	50.6%	385	31.8%
Above moderate households	5,530		810	
Households overpaying	1,305	23.6%	130	16.0%

Source: U.S. Department of Housing and Urban Development, CHAS, based on the 2006-2008 ACS. Table 15

Housing Inventory and Market Conditions

This section describes the housing stock and market conditions in the City of Placentia. By analyzing past and current housing trends, future housing needs can be projected.

Housing Stock Profile

As of 2012, the housing stock in Placentia was comprised mostly of single-family homes, representing approximately 71 percent of total housing units. Multi-family units comprised approximately 26% of the total. Table 2-14 provides a breakdown of the housing stock by type along with growth trends for the city compared to the county as a whole for the period 2000-2012.

Table 2-14 – Housing by Type – 2000-2012, Placentia vs. Orange County

Structure Type	2000		2012		Growth	
	Units	%	Units	%	Units	%
Placentia						
Single-family	11,242	73%	11,972	71%	730	46%
Multi-family	3,524	23%	4,350	26%	826	52%
Mobile homes	560	3.7%	585	3.5%	25	2%
Total units	15,326	100%	16,907	100%	1,581	100%
Orange County						
Single-family	614,359	63%	663,030	63%	48,671	59%
Multi-family	322,675	33%	355,807	34%	33,132	40%
Mobile homes	32,450	3%	33,524	3%	1,074	1%
Total units	969,484	100%	1,052,361	100%	82,877	100%

Source: Cal. Dept. of Finance, Tables E-5 & E-8

Between 2000 and 2012, multi-family homes represented 52 percent of all units added to the city’s housing stock, outpacing the construction of single-family homes



(46 percent). For the county as a whole, the growth of single-family units (59 percent) exceeded multi-family unit development (40 percent).

Approximately 63 percent of Placentia’s housing units were owner-occupied and 34 percent of the units were renter-occupied in 2010. As shown in Table 2-15, the percentage of owner-occupied units in Placentia was higher than in Orange County as a whole.

Housing vacancy rates are also shown in Table 2-15. The table shows that vacancy rates in the city were relatively low, with 4.7 percent of the rental units and less than 1 percent of the for-sale units available for rent or sale, respectively. The rental vacancy rate for the county as a whole was higher, at 5.9 percent, while the rate of for-sale housing was also higher at 1.4 percent. Rental vacancy rates in the 2 percent range indicate nearly full occupancy, and contribute to upward pressures on rents.

Housing Type	Placentia		Orange County	
	Units	%	Units	%
Occupied housing units	16,365	97%	992,781	95%
Owner-occupied housing units	10,681	63%	588,313	56%
Average household size of owner-occupied units	2.97		2.98	
Renter-occupied housing units	5,684	34%	404,468	39%
Average household size of renter-occupied units	3.24		3.00	
Vacant housing units	507	3%	56,126	5%
For rent	278	2%	25,254	2%
Rented, not occupied	15	0.1%	1,327	0.1%
For sale only	82	0%	8,434	1%
Sold, not occupied	28	0.2%	2,096	0.2%
For seasonal, recreational, or occasional use	29	0%	10,806	1%
All other vacants	75	0%	8,209	1%
Homeowner vacancy rate (%)	0.8		1.4	
Rental vacancy rate (%)	4.7		5.9	
Total housing units	16,872	100%	1,048,907	100%

Source: 2010 Census, Table DP-1

Age of Housing Stock

The age of a housing unit is often an indicator of housing conditions. Housing units without proper maintenance can deteriorate over time. Housing units built before 1970 are the most likely to need rehabilitation and to have lead-based paint in deteriorated condition. Lead-based paint becomes hazardous to children under age six and to pregnant women when it peels off walls or is pulverized by windows and doors opening and closing.

Housing over 50 years old is considered aged and is more likely to exhibit a need for major repairs. Additionally, older units may not be built to current building standards for fire and earthquake safety.

Table 2-16 categorizes the City’s housing units by the year of construction. The table shows that 37 percent of Placentia’s housing units were constructed prior to 1970, and



12 percent of the City’s housing units were constructed prior to 1960. These findings suggest that there may be a need for maintenance and rehabilitation, including remediation of lead-based paint, for a large percentage of the city’s housing stock.

Year Built	Placentia		Orange County	
	Units	%	Units	%
Built 2005 or later	304	2%	21,184	2%
Built 2000 to 2004	1,432	9%	63,957	6%
Built 1990 to 1999	1,762	11%	120,798	12%
Built 1980 to 1989	2,041	12%	167,031	16%
Built 1970 to 1979	5,000	30%	262,455	25%
Built 1960 to 1969	4,239	25%	215,213	21%
Built 1950 to 1959	1,135	7%	138,061	13%
Built 1940 to 1949	320	2%	26,745	3%
Built 1939 or earlier	446	3%	26,810	3%
Total units	16,679	100%	1,042,254	100%

Source: Census 2006-2010 ACS, Table DP-4

Housing Conditions

Households living in substandard conditions are considered to be in need of housing assistance, even if they are not seeking alternative housing arrangement, due to threat to health and safety.

The City estimates there are more than 200 substandard housing units currently in the City. The substandard housing units are primarily concentrated in the La Jolla and Santa Fe areas. Housing programs intended to assist lower-income households with needed repairs are described in Chapter 4.

Housing Costs and Affordability

This section evaluates housing cost and affordability trends in Placentia.

1. Home Price Trends

As shown in Table 2-17, the median sale price for single-family homes in Placentia was \$455,000 while the median price for condos was \$250,000. These median sales prices were moderately lower than for the county as a whole.

Area	ZIP	Median Price	
		SFD	Condo
Countywide		\$500,000	\$287,000
Placentia	92870	\$455,000	\$250,000

Source: DataQuick, 2013

2. Rental Prices

According to the apartment research firm RealFacts, rents in Orange County reached an all-time high in 2012 with a countywide average of \$1,604. In the



wake of the financial crisis of 2008-2009 average rents in Orange County declined from \$1,603 in 2008 to \$1,473 in early 2010, but growing demand has allowed the market to fully recover those temporary losses. Real estate professionals expect rents to continue rising in the near future as growing demand exceeds the pace of new apartment construction.

3. Affordability Gap Analysis

The costs of home ownership and renting can be compared to a household’s ability to pay for housing. Housing affordability is defined as paying no more than 30 percent of the household income on housing expenses. Table 2-18 summarizes affordable rents and purchase prices by income category based on the 2013 median income of \$87,200 for Orange County.

2013 County Median Income = \$87,200	Annual Income Limits	Affordable Monthly Rent	Affordable Price (est.)
Extremely Low (<30%)	\$28,900	\$723	--
Very Low (31-50%)	\$48,150	\$1,204	--
Low (51-80%)	\$77,050	\$1,926	\$260,000
Moderate (81-120%)	\$104,650	\$2,616	\$400,000
Above moderate (120%+)	\$104,650+	\$2,616+	\$400,000+

Assumptions:

-Based on a family of 4

-30% of gross income for rent or Principal/Interest/Taxes/Insurance

-10% down payment, 4.5% interest, 1.25% taxes & insurance, \$200 HOA dues

Source: Cal. HCD; J.H. Douglas & Associates

Based on 2012 sales data, lower-income households may be able to find affordable condos in some areas of the city, and some single-family homes may be affordable at the moderate-income level. However, in 2013 sales prices have begun to rise as Orange County’s economy continues to recover from the recession and the inventory of homes for sale remains low compared to demand.

When market rents are compared to the amount lower-income households can afford to pay, it is clear that very-low- and extremely-low-income households have a difficult time finding housing without overpaying. The gap between average rents and affordable rent for 4-person families at the very-low-income level is about \$400 per month, while the gap at the extremely-low-income level is \$881 per month. However, at the low-income and moderate-income levels, households are much more likely to find affordable rental units.

Housing Growth Needs

The Southern California Association of Governments (SCAG) is responsible for allocating housing needs to each jurisdiction in its region, including Placentia. A local jurisdiction’s “fair share” of regional housing need is the number of additional housing units that would need to be constructed to accommodate projected growth in the



number of households, to replace expected demolitions and conversion of housing units to non-housing uses, and to achieve a future vacancy rate that allows for healthy functioning of the housing market. The allocation is distributed among four income categories, Very Low, Low, Moderate, and Above Moderate Income, and is adjusted to avoid an over-concentration of lower-income households in jurisdictions that currently have a disproportionately high share of low-income residents. The City must also plan for the growth needs of Extremely Low-Income households. The Extremely Low-Income need is assumed to be 50 percent of the Very-Low-Income allocation.

Table 2-19 shows the Regional Housing Needs Allocation for the City of Placentia during the 2014-2021 projection period.

Table 2-19– Regional Housing Needs Assessment, 2014-2021

	<i>Extremely Low-Income</i> ¹	Very Low-Income	Low Income	Moderate-Income	Above Moderate-Income	Total
Number of Units ²	56	56	81	90	209	492

Notes:

¹ Extremely Low-Income need is assumed to be 50% of Very Low-Income need

² The RHNA projection period covers the period 1/1/2014 – 10/1/2021

Source: Regional Housing Needs Allocation, SCAG 2012

Special Needs Groups

Certain segments of the population may have more difficulty in finding affordable and suitable housing due to special needs. This section identifies the needs for elderly persons, large households, female-headed households, persons with disabilities, persons who are homeless, and farmworkers.

Elderly Persons

Elderly persons are considered a special needs group because they are more likely to have fixed incomes and often have special needs related to housing location and construction. Because of limited mobility, elderly persons may need convenient access to services (e.g., medical and shopping) and public transit.

According to recent Census data, about 25 percent of households in Placentia were headed by a householder age 65 or older (Table 2-20). Approximately 12 percent of renter-occupied households had an elderly householder.

Table 2-20 – Elderly Households by Tenure

Householder Age	Owner		Renter	
	Households	%	Households	%
Under 65 years	8,075	75%	4,685	88%
65 to 74 years	1,404	13%	274	5%
75 to 84 years	1,047	10%	251	5%
85 years and over	229	2%	118	2%
Total households	10,755	100%	5,328	100%

Source: U.S. Census 2006-2010 ACS, Table B25007



Large Households

Large households are defined as having five or more persons living within the same housing unit. Large households are considered a special needs group because they require more space and more bedrooms. According to recent Census data, there were 2,443 households in Placentia with at least five persons, representing 31 percent of the total households in the City (Table 2-21). Among owner-occupied units, 14 percent were large households while 17 percent of renter households had five or more persons.

Household Size	Owner		Renter	
	Households	%	Households	%
1 person	1,794	17%	1,254	24%
2 persons	3,417	32%	1,216	23%
3 persons	1,677	16%	1,157	22%
4 persons	2,364	22%	761	14%
5 persons	917	9%	382	7%
6 persons	372	3%	214	4%
7 persons or more	214	2%	344	6%
Total households	10,755	100%	5,328	100%

Source: U.S. Census 2006-2010 ACS, Table B25009

Female-Headed Households

Female-headed households are a special needs group due to comparatively low rates of homeownership, lower incomes, and higher poverty rates experienced by this group. According to recent Census data, there were 2,065 female-headed households in Placentia, representing 10 percent of owner households and 18 percent of renter households.

Household Type	Owner		Renter	
	Households	%	Households	%
Married couple family	7,006	65%	2,108	40%
Male householder, no wife present	554	5%	387	7%
Female householder, no husband present	1,112	10%	953	18%
Non-family households	2,083	19%	1,880	35%
Total households	10,755	100%	5,328	100%

Source: U.S. Census 2006-2010 ACS, Table B11012

Persons with Disabilities

Access and affordability are the two major housing needs for persons with disabilities. This often requires specially-designed dwelling units typically not found in market-rate housing. Additionally, locating near public facilities and public transit is important for this special needs group.

According to recent ACS estimates (Table 2-23), a relatively small proportion of working-age persons in Placentia reported a disability. In the 18-64 age group, less than 3 percent reported any type of disability. Of those aged 65 and over, disabilities were much more prevalent. The most common reported disabilities among seniors included ambulatory difficulties (19 percent), independent living difficulties (15 percent) and hearing difficulty (11 percent). Housing opportunities for those with disabilities can be maximized through housing assistance programs and providing universal design features such as widened doorways, ramps, lowered countertops, single-level units and ground floor units.

Disability by Age	Persons	Percent
Under Age 5 - total persons	3,425	--
With a hearing difficulty	0	0.0%
With a vision difficulty	0	0.0%
Age 5 to 17 - total persons	9,449	
With a hearing difficulty	0	0.0%
With a vision difficulty	61	0.6%
With a cognitive difficulty	220	2.3%
With an ambulatory difficulty	20	0.2%
With a self-care difficulty	34	0.4%
Age 18 to 64 - total persons	31,809	
With a hearing difficulty	154	0.5%
With a vision difficulty	295	0.9%
With a cognitive difficulty	596	1.9%
With an ambulatory difficulty	739	2.3%
With a self-care difficulty	232	0.7%
With an independent living difficulty	725	2.3%
Age 65 and over* - total persons	5,878	
With a hearing difficulty	659	11.2%
With a vision difficulty	128	2.2%
With a cognitive difficulty	278	4.7%
With an ambulatory difficulty	1091	18.6%
With a self-care difficulty	459	7.8%
With an independent living difficulty	904	15.4%

Source: U.S. Census, 2009-2011 ACS Table S1810

Note: Totals may exceed 100% due to multiple disabilities per person

Developmentally Disabled

As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 22;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language;



- c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency;
- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

The Census does not record developmental disabilities. According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Regional Center of Orange County (RCOC) is one of 21 regional centers in the State of California that provides point of entry to services for people with developmental disabilities. The RCOC is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

Any resident of Orange County who has a developmental disability that originated before age 18 is eligible for services. Services are offered to people with developmental disabilities based on Individual Program Plans and may include: Adult day programs; advocacy; assessment/consultation; behavior management programs; diagnosis and evaluation; independent living services; infant development programs; information and referrals; mobility training; prenatal diagnosis; residential care; respite care; physical and occupational therapy; transportation; consumer, family vendor training; and vocational training. RCOC also coordinates the state-mandated Early Start program, which provides services for children under age three who have or are at substantial risk of having a developmental disability. The RCOC currently serves approximately 17,000 individuals. Of those, approximately 302 individuals reside in Placentia.

The mission of the Dayle McIntosh Center is to advance the empowerment, equality, integration and full participation of people with disabilities in the community. The Center is not a residential program, but instead promotes the full integration of disabled persons into the community. Dayle McIntosh Center is a consumer-driven organization serving all disabilities. Its staff and board are composed of over 50% of



people with disabilities. Its two offices service over 500,000 people in Orange County and surrounding areas with disabilities. The Center's main office is located in Garden Grove, approximately 7 miles south of Placentia.

Homeless Population and Transitional Housing

To estimate the number of homeless in the city an analysis of existing studies/estimates was utilized and different organizations and agencies were consulted. The County of Orange Housing and Community Services Department undertakes a biannual "Point-in-Time" survey of the homeless population as part of its application for homeless assistance grant funds to HUD. The most recent Point-in-Time survey for which results are available (January 2011) estimated that there were approximately 6,939 homeless persons in Orange County at the time of the survey, of which 2,667 were sheltered and 4,272 were unsheltered¹. The survey did not estimate the total homeless population by jurisdiction, however the City of Placentia represents approximately 1.7 percent of the total county population (see Table 2-1 on page 2-1). Assuming a homeless distribution similar to the general population, the estimated number of homeless persons in Placentia at any point in time would be approximately 117 persons. While it is very difficult to accurately determine the homeless population, a sample of 610 homeless persons interviewed during the 2011 Point in Time study were asked where they lived just prior to becoming homeless. Of the 610 survey respondents, 2 persons (0.3%) reported Placentia as their last city of residence. Since this percentage is substantially lower than the city's proportion of total county population, the City's total homeless population is estimate to be less than 117 persons.

Senate Bill (SB) 2 of 2007 requires that jurisdictions quantify the need for emergency shelter and determine whether existing facilities are adequate to serve the need. An emergency shelter is defined as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay." If adequate existing facilities are not available, the law requires jurisdictions to identify areas where new facilities are permitted "by-right" (i.e., without requiring discretionary approval such as a use permit). As noted in Chapter 3 the City's Zoning Code allows emergency shelters in compliance with SB 2.

According to the Orange County Community Resources Department, there are 68 emergency and transitional shelters countywide that provide 3,300 beds.

There is one emergency shelter located in Placentia, Homeless Intervention Shelter (H.I.S.). The shelter provides transitional living facilities for families and single individuals; and serves about 140 persons on average every year. Two local churches also provide food and other emergency services. Placentia Presbyterian Church operates a weekly soup kitchen that serves meals to about 60 persons every Thursday.

¹ 2011 Orange County Homeless Census and Survey Comprehensive Report, Applied Survey Research, 2011



St. Joseph Catholic Church also distributes food, and offers other services such as transportation assistance and job referrals.

The Neighborhood Services Division of the City of Placentia oversees the operation of the Neighborhood Services Office and Senior Center that provide food programs and emergency resources to the community. The Neighborhood Services Office provides residents with assistance in a wide range of issues including employment, financial assistance, domestic abuse, healthcare, homeless services, landlord and tenant disputes, public assistance forms, senior citizen services, translation assistance and youth services. Neighborhood Services distributes USDA surplus commodities received from Second Harvest Food Bank to over 300 households each month along with providing emergency food to residents and weekly bread distributions. Additionally, the Senior Center offers two food programs for adults 60 years or older, including a daily nutritional lunch program that serves 400 meals per month and a Brown Bag program that provides basic grocery items to over 130 adults per month.

Farm Workers

Farm workers are defined as persons whose primary incomes are earned through seasonal agricultural work. Recent Census² data estimated that 73 persons, less than 0.3 percent of Placentia's labor force, were employed in agriculture or related industries. It is assumed that only a small percentage of persons employed in this industry are involved in active agricultural production and harvest. Therefore, there is no apparent or recognized need for farmworker housing.

2.3 Assisted Units "At-Risk" of Conversion

Jurisdictions are required by California Housing Element law to analyze government-assisted housing that is eligible to convert from low-income to market rate housing over the next 10 years. State law identifies housing assistance as a rental subsidy, mortgage subsidy, or mortgage insurance to an assisted housing development. Government assisted housing might convert to market rate housing for a number of reasons including expiring subsidies, mortgage repayments or expiration of affordability restrictions.

This section addresses:

- An inventory of assisted housing units that are at-risk of converting to market rate housing during 2013-2023;
- An analysis of the costs of preserving and/or replacing these units;
- Resources that can be used to preserve at-risk units;
- Program efforts for preservation of at-risk housing units; and
- Quantified objectives for the number of at-risk units to be preserved during the Housing Element planning period

² 2006-2010 ACS, Table DP03



Inventory of At-Risk Units

Two affordable projects are located in Placentia (Table 2-24). According to the California Housing Partnership Corporation (CPHC), the Imperial Villas project could convert to market rate within the next 10 years and is therefore considered to be “at-risk.”

Table 2-24 – Units At-Risk of Conversion, 2013-2023

Project	Address	Type of Units	Program	Earliest Conversion Date	Total Units	Assisted Units
Imperial Villas	1050 E. Imperial Hwy.	Family	Section 8	07/30/2017	58	58
Villa La Jolla	734 W. La Jolla St.	Family	Section 8	12/15/2031	55	55
Total					113	113

Source: California Housing Partnership Corporation, 2013

Preservation Versus Replacement

According to CPHC, preservation of existing affordable housing has significant advantages over new construction, including:

- It generally costs half as much and takes half the time than building it new.
- On average it serves much lower income households than new construction.
- New construction alone cannot produce enough affordable housing to meet demand in most markets in California.

Preservation Strategies

There are several options for preserving affordable units, including purchase by a non-profit or public agency, providing financial incentives to project owners to extend low-income use restrictions, or providing local subsidies to offset the difference between the affordable and market rent.

Local Rental Subsidy

One strategy for preserving the units at-risk is to provide a local rental subsidy to residents if their affordable units convert to market rate. Based on the current average federal rent subsidy of \$1,108 per month per unit³, the total subsidy that would be needed to extend affordability for the 58-unit Imperial Villas project would be \$771,168 per year.

Replacement Through New Construction

Affordable units lost to conversion can be replaced through new construction. Construction cost would depend on many factors including site acquisition, site preparation, construction and a variety of “soft” costs such as architecture, permit

³ Source: California Housing Partnership Corporation, 9/2013

processing, financing and administration. Based on an average cost of \$250,000 per unit, the total cost of replacing 58 affordable units would be approximately \$14.5 million.

Resources for Preservation

A variety of programs exist to assist cities in acquiring, replacing or subsidizing at-risk affordable housing units. The following summarizes the available financial resources.

Federal Programs

- Community Development Block Grant (CDBG) – CDBG funds are awarded to entitlement communities (entitlement cities and urban counties) on a formula basis for housing activities. Placentia is a participating city in the County of Orange’s Urban County. Funding is awarded on a competitive basis to each participating city. Activities eligible for CDBG funding include acquisition, rehabilitation, economic development, and public services.
- HOME Investment Partnership – HOME funds are awarded on a formula basis for housing activities. The flexible grant program takes into account local market conditions, inadequate housing, poverty, and housing production costs. HOME funding is provided to jurisdictions to assist rental housing or homeownership through acquisition, construction, reconstruction, and/or rehabilitation of affordable housing. The County of Orange allocates funds to participating cities on a competitive basis.
- Section 8 Rental Assistance Program – The Section 8 Rental Assistance Program provides rental assistance payments to owners of private, market rate units on behalf of very-low income tenants. Rental assistance is provided through the Orange County Housing Authority. As of 2012, there were approximately 205 households within the City of Placentia receiving assistance through the Section 8 program.
- Section 811/202 Program – Non-profit and consumer cooperatives can receive no-interest capital advances from HUD under the Section 202 program for the construction of very-low-income rental housing for seniors and persons with disabilities. These funds can be used in conjunction with Section 811, which can be used to develop group homes, independent living facilities and immediate care facilities. Eligible activities include acquisition, rehabilitation, new construction and rental assistance.

State Programs

- California Housing Finance Agency (CalHFA) Multifamily Programs- CalHFA’s Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation or new construction of rental housing that includes affordable rents for low and moderate-income families and individuals. One of the programs is the Preservation Acquisition Finance

Program which is designed to facilitate the acquisition of at-risk affordable housing developments provide low-cost funding to preserve affordability.

- Low-Income Housing Tax Credit (LIHTC)- This program provides tax credits to individuals and corporations that invest in low-income rental housing. Tax credits are sold to those with high liability and proceeds are used to create housing. Eligible activities include new construction, rehabilitation and acquisition of properties.
- California Community Reinvestment Corporation (CCRC)- The California Community Reinvestment Corporation is a multifamily affordable housing lender whose mission is to increase the availability of affordable housing for low-income families, seniors and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation and acquisition of properties.

Local Programs

The Redevelopment Agency for the City of Placentia was dissolved by the State of California along with all other redevelopment agencies through Assembly Bill 26x1 (the Dissolution Act). Based on this action, the former “set-aside” or 20% of tax increment will no longer be available for affordable housing programs or development. To assist with affordable housing funding, the City has required all residential development projects larger than 10 units enter into a Development Agreement and pay an Affordable Housing In-Lieu fee to generate funds. The City will continue to pursue other funding opportunities to assist with the development of affordable housing.

Qualified Entities to Develop or Operate Affordable Housing

A number of non-profit corporations currently working in Orange County have the experience and capacity to assist in preserving at-risk units. These non-profits include:

- BRIDGE Housing Corporation (San Francisco)
- Civic Center Barrio Housing Corporation (Santa Ana)
- Jamboree Housing Corporation (Irvine)
- Mercy Housing Corporation (San Francisco)



Chapter 3: Resources and Constraints

3.1 Resources and Opportunities

A variety of resources are available for the development, rehabilitation, and preservation of housing in the City of Placentia. This chapter provides a description of the land resources and adequate sites to address the City's regional housing needs allocation for the projection period of January 1, 2014 to October 1, 2021, as adopted by the Southern California Association of Governments, as well as financial and administrative resources available to support the provision of affordable housing. Additionally, the chapter discusses opportunities for energy conservation that can lower utility costs and increase housing affordability.

Land Resources

Section 65583(a)(3) of the *Government Code* requires Housing Elements to contain an "inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites." A detailed inventory of residential development sites is provided in Appendix B. The results of this analysis are summarized in Table 3-1 below. The table shows that the City's land inventory for potential residential development is more than sufficient to accommodate the RHNA in the moderate- and above-moderate income categories for this projection period; however, rezoning is required to provide additional sites to accommodate 231 lower-income units. Program HE-1.8 in the Housing Plan (Chapter 4) describes the specific actions the City will take to address this requirement.

Table 3-1 – Residential Sites vs. Regional Housing Need 2014-2021

Income Category	Very Low	Low	Moderate	Above Moderate
Housing Need 2014-2021	112	81	90	209
Carryover from the Prior Period	21	17	--	--
Total Housing Need	133	98	90	209
Vacant Sites	--	--	163	63
Adequate Capacity?	(133)	(98)	Yes	Yes*

Notes:

*It is expected that additional above-moderate units will be accommodated through excess moderate sites and on underutilized parcels.

Source: City of Placentia, 2013

A discussion of public facilities and infrastructure needed to serve future development is contained in Section 3.3, Non-Governmental Constraints. There are currently no known service limitations that would preclude the level of development described in the RHNA, although developers will be required to pay fees or construct public improvements prior to or concurrent with development.



Financial and Administrative Resources

Community Development Block Grant and HOME Programs

Placentia participates in a consortium with the County of Orange and 12 other cities known as the Orange County Urban County Program. The Urban County consortium receives Community Development Block Grant (CDBG) and HOME funding on a formula basis from the Federal government. Funds are distributed by the County of Orange to individual jurisdictions on a competitive basis. During the 2006/07 through 2010/11 Fiscal Years, the City received \$150,000 annually in CDBG funds for housing rehabilitation but this amount declined to \$135,000 per year in FY 2012/13 and 2013/14. This City also was awarded grants for public improvements for pedestrian accessibility, Edwin T. Powell Community Center, neighborhood facilities, streets and neighborhood parks. The City has not received HOME funds in recent years but will pursue them in the future when eligible projects are identified.

CDBG funds can be used for the following activities:

- Acquisition
- Rehabilitation
- Home Buyer Assistance
- Economic Development
- Homeless Assistance
- Public Services
- Public Improvements
- Rent Subsidies

HOME funds can be used for the following activities:

- New Construction
- Acquisition
- Rehabilitation
- Home Buyer Assistance
- Rental Assistance

Former Redevelopment Agency and the Successor Agency

As of February 1, 2012 the Redevelopment Agency (RDA) of the City of Placentia was dissolved by Governor Jerry Brown and the State Legislature. As part of the Dissolution Act, the City of Placentia designated itself as both the Successor Agency and successor housing agency to the former redevelopment agency to wind down its operations and continue local control over the former assets of the agency. The Successor Agency is able to pay for those items found to be enforceable obligations by the State Department of Finance until such time as the obligation ceases. The Successor Agency does not have any affordable housing obligations as all properties or loan receivables were transferred to the City as the housing successor agency.

Energy Conservation Opportunities

In order to reduce the consumption of water in a landscaped area the City of Placentia has adopted a xeriscape ordinance within the Zoning Code. Primary techniques to reduce water consumption are the use of water conserving plants, minimizing the amount of grass area, grouping plants in accordance to their watering needs, and providing an irrigation system designed to meet the needs of the plants in the landscape. All new developments are required to submit plans that comply with the ordinance.

In 1982, the City adopted an ordinance that encourages the development of energy efficient residential dwellings in order to reduce the reliance of the City's residents in commercial energy sources.

Southern California Edison, which provides electricity service in Placentia, also offers public information and technical assistance to developers and homeowners regarding energy conservation. Southern California Edison also provides incentives for energy efficient new construction and home improvements. Through the California Energy Star New Homes program, builders can receive up to \$700 per single family unit or \$275 per multi-family unit for constructing homes that are 15-20 percent more energy efficient than the Title 24 requirements. Builders also have the option of installing efficient appliances, insulation, and/or tight ducts to receive similar monetary incentives. Owners of existing homes can receive monetary incentives for purchasing Energy-star qualified appliances or making other energy-saving improvements such as installing a whole-house fan in the attic.

One of the more recent strategies in building energy-efficient homes is following the U.S. Green Building Council's guidelines for LEED Certification. LEED-certified buildings demonstrate energy and water savings, reduced maintenance costs and improved occupant satisfaction. The LEED for New Construction program has been applied to numerous multi-family residential projects nationwide. The LEED for Homes pilot program was launched in 2005 and includes standards for new single-family and multi-family home construction.

The City Council authorized participation in the Home Energy Renovation Program (HERO) as provided for through the Western Riverside Council of Governments. The HERO program is financed through property assessments where the improvements are made and is not a City program, but simply a means to provide property assessed financing to eligible property owners in the City for various energy and water conservation improvements.

3.2 Constraints

In planning for the provision of housing, constraints to the development, maintenance and improvement of housing must be recognized, and jurisdictions must take appropriate steps to mitigate them where feasible. Local government cannot control many of these constraints, such as those related to general economic and market conditions, and constraints imposed by other governmental entities. Potential



governmental and non-governmental constraints along with City efforts to reduce these constraints are discussed below.

Governmental Constraints

Governmental constraints are policies, standards, requirements, and actions imposed by various levels of government upon land and housing development. These constraints may include building codes, land use controls, growth management measures, development fees, processing and permit procedures, and site improvement costs. State and federal agencies play a role in the imposition of governmental constraints; however, these agencies are beyond the influence of local government and are therefore not addressed in this analysis.

Land Use Controls

Land use controls include General Plan policies, zoning regulations (and the resulting use restrictions, development standards and permit processing requirements) and development fees.

1. General Plan

Every city in California must have a General Plan, which establishes policy guidelines for all development within the city. The General Plan is the foundation of all land use controls in a jurisdiction. The Land Use Element of the General Plan identifies the location, distribution, and density of the land uses within the City. General Plan residential densities are expressed in dwelling units per acre. The Placentia General Plan identifies three residential land use designations, a Planned Community designation and a Specific Plan designation. Table 3-2 summarizes the residential land use designations and their associated acreages and density ranges. The City's General Plan is undergoing a comprehensive update, to include inclusion of a new sustainability element, and will be considered for adoption by the City Council by June, 2014.



Designation	Description	Acreage	Density Range
Low Density Residential	Single family residences on individual parcels.	1935.3*	6 du/ac maximum
Medium Density Residential	Single-family and multi-family developments including attached and detached housing. Can include clustering and planned unit development approaches	439.2	15 du/ac maximum
High Density Residential	Multifamily residences such as apartments	152.7	25 du/ac maximum
Residential Planned Community	Allows a variety of housing types and related commercial uses through a development plan	370.8	7.1 du/ac maximum mean
Specific Plan	Specific Plans, programs, regulations, and conditions that are unique for an area and are pertinent to maintain compatibility with surrounding areas.	348.8	Established individually for each Specific Plan

*Includes a County island
 Source: City of Placentia General Plan

According to the current General Plan, the maximum potential capacity is 22,645 dwelling units in the City and the realistic capacity is 18,117 dwelling units. The Department of Finance (DOF) reports 17,049 dwelling units have been developed as of January 2013.

Depending on land costs, certain densities are needed to make a housing project economically feasible. The following densities required to accommodate construction affordable to specific income levels are generally accepted:

- Very Low- and Low-Income: 30 dwelling units per acre
- Moderate-Income: 11-30 dwelling units per acre
- Above Moderate-Income: Up to 11 dwelling units per acre

2. Zoning Code

The Zoning Code is the primary tool for implementing the Land Use Element of the General Plan. It is designed to protect and promote public health, safety, and welfare. Placentia’s residential zoning designations control both the use and development standards of specific sites and influence the development of housing. Table 3-3 summarizes the single-family residential zoning designations and their requirements. Table 3-4 summarizes the multi-family residential designations and requirements. Based on residential units approved and constructed complying with these standards, the City has determined the development standards do not unreasonably impact the cost and supply of housing nor the ability of projects to achieve maximum densities.

The City will be adding a Transit Oriented Development (TOD) overlay zone to its Zoning Code as well as adjusting the land use categories to reflect higher densities within such TOD zones. The City received a grant from the Southern California Association of Governments in September 2013 to assist in drafting a TOD zoning code. The TOD overlay zone, as well as allowing higher densities



than the current 25 du/ac, will provide the City with a means to achieve its Regional Housing Needs Assessment allocation of units.

Table 3-3 – Summary of Single Family Residential Zoning Requirements

Zone	Minimum Lot Area (Sq. Ft.)	Maximum Lot Coverage	Minimum Floor Area (Sq. Ft.)	Maximum Building Height	Minimum Front Yard	Minimum Interior Side Yard	Minimum Street Side Yard	Minimum Rear Yard
R-A	20,000	40%	N/A	30'	25'	6' one side, 12' other side; corner lot line, 11'		Corner and interior lot, 5'
R-1	Interior lots 7,000; corner lots 7,500	50%	1,300	30'; accessory buildings 20'	20'-25'	6' on one side and 10' opposite side; corner lot 12'		20'
PUD	N/A	60%	N/A	35'; 30' when located adjacent to properties zoned "R-A" or "R-1," may be modified pursuant to §23.15.090	10'	None required; except there shall be a minimum 10-foot separation between buildings	5' or less, or 18' or more	10'

Source: City of Placentia Municipal Code, Chapter 23

Table 3-4 – Summary of Multiple Family Residential Zoning Requirements

Zone	Minimum Lot Area (Sq. Ft.)	Maximum Lot Coverage	Maximum Building Height	Minimum Front Yard	Minimum Interior Side Yard	Minimum Street Side Yard	Minimum Rear Yard
R-2	Interior lots 7,000; corner lots 8,000;	50%	35'; 30' when located adjacent to properties zoned "R-A" or "R-1," may be modified pursuant to §23.15.040	20'-25'	5'	Subject to §23.15.110	10'
R-G	Interior lots 8,000; corner lots 9,000	60%	35'; 30' when located adjacent to properties zoned "R-A" or "R-1," may be modified pursuant to §23.18.040	20'	0'-10'	Subject to §23.81.130	0'-10'
R-3	Interior lots 8,000; corner lots 9,000	60%	35'; 30' when located adjacent to properties zoned "R-A" or "R-1," may be modified pursuant to §23.21.040	15'	0'-5'	10'-15'	0'-10'
MHP	15 acres	Subject to Title 25 of the Calif. Admin. Code	2 stories or 35'	10'		25'	

Source: City of Placentia Municipal Code, Chapter 23

The single-family residential zones are R-A and R-1. As shown in Table 3-5, single-family units are permitted by-right in R-A, R-1, R-2, RPC, PUD, SP-6, SP-7, and SP-8. Single-family units are approved administratively without a public hearing, although subdivisions require a discretionary review process pursuant to the state Subdivision Map Act.

The multi-family residential zones are R-2, R-G, R-3, and MHP. Multi-family dwellings are permitted subject only to Development Plan Review (DPR) by the Planning Commission in the R-2, R-G, R-3, SP-3, SP-4, SP-7 and SP-9 zones. The DPR process (Municipal Code Chapter 23.75) ensures that projects are consistent with applicable policies and standards. Multi-family developments are



subject to a conditional use permit in the RPC (Residential Planned Community) zone. Second units and accessory units are permitted by-right in the R-A, R-1, RPC, PUD, SP-6, and SP-7 zones.

Table 3-5 – Summary of Permitted Residential Uses by Zone

Residential Zone	Single-family	Multi-family	Mobile home Parks	Second and Accessory Units
R-A	Permitted	Prohibited	Permitted	Permitted
R-1	Permitted	Prohibited	Permitted With CUP	Permitted
R-2	Permitted	Permitted	Permitted With CUP	Prohibited
R-G	Prohibited	Permitted	Permitted With CUP	Prohibited
R-3	Prohibited	Permitted	Permitted With CUP	Prohibited
RPC	Permitted	Permitted With CUP	Permitted With CUP	Permitted
MHP	Prohibited	Prohibited	Permitted With CUP	Prohibited
PUD	Permitted	Prohibited	Permitted With CUP	Permitted
SP-3	Prohibited	Permitted ¹	Prohibited	Prohibited
SP-4	Prohibited	Permitted ²	Prohibited	Prohibited
SP-6	Permitted	Prohibited	Prohibited	Permitted
SP-7	Permitted	Permitted	Permitted With CUP	Permitted
SP-8	Permitted	Prohibited	Prohibited	Prohibited
SP-9	Prohibited	Permitted	Prohibited	Prohibited

¹Apartment projects for persons 55 years of age or older.

²Apartments of medium density residential setting reserved for lower-income families for a minimum of 30 years.

Source: City of Placentia Municipal Code Chapter 23

Parking Requirements

Table 3-6 summarizes the residential parking requirements in Placentia. Parking requirements do not constrain the development of housing directly. However, parking requirements may reduce the amount of available land for residential development.

Table 3-6– Residential Parking Requirements

Type of Residential Development	Required Parking Spaces (Off Street)
R-A and R-1 (4 or fewer bedrooms)	2 (2 in garage) per unit
R-A and R-1 (5 or more bedrooms)	3 (3 in garage) per unit
R-G	2 (1 in garage) per unit; plus 10% of said total for guest parking; carports allowed for multiple dwellings
R-3	2 (1 in garage) per unit; plus 15% of said total for guest parking; carports allowed for multiple dwellings
PUD (bachelor and 1 bedroom)	2 (1 in garage) per unit
PUD (2 or more bedrooms)	3 (2 in garage) per unit; 1 recreational vehicle space, for each 10 units
Mobile Home Parks	2 spaces per mobile home lot (may be in tandem), plus 1 additional space per every 5 mobile home lots provided as guest parking. In addition, there shall be provided 1 boat or travel trailer space for every 5 mobile home lots
Boardinghouses, fraternities, and group living quarters	1 space per resident
Rest Homes	1 space for each 4 beds, plus 1 ½ space per employee
Second Residential Units	1 space in addition to that required for the primary unit; shall not be located within the required front yard setback and may be open

Source: City of Placentia Municipal Code Title 23, Sect. 78.030 et. seq.



There are no specific criteria for allowing carports in multi-family housing. When carports are utilized, the required dimensions of a carport space shall be measured from the interior of the carport. The carport shall cover the entire length of the space and shall be separated from open parking spaces by a landscaped buffer.

The off-street parking requirements for multi-family housing are the same regardless of unit size. To ensure that the City's parking requirements do not pose future constraints on development of smaller units, the Housing Plan (Chapter 4) includes Program 1.17 to review and revise parking requirements to mitigate any identified constraints.

Density Bonus

In order to encourage the construction of affordable housing developments for very low and low-income households, the City of Placentia has adopted a Density Bonus Ordinance (Chapter 23.23 of the Municipal Code). Upon request from the applicant, the City grants a density bonus and incentives consistent with state law based on the applicant's commitment to provide housing units for low- and moderate income persons or senior housing.

Transit Oriented Development Overlay Zone

In 2013 the City received a grant to develop a Transit Oriented Development (TOD) overlay zone, which is proposed to amend the current manufacturing zone located south of the downtown Placentia area and immediately adjacent to, and south of, a proposed Metrolink commuter rail station. The TOD zone is the successor to the formerly envisioned Placentia Westgate Specific Plan area. The TOD zone is approximately 110 acres in size and runs south from the Burlington Northern Rail Road to Orangethorpe Avenue, and east from State Highway 57. The TOD area will provide for increased residential densities, mixed-use residential-commercial, and increased amenities to encourage use of the commuter rail station.

Senior Housing

Placentia's Zoning Code allows group dwellings including nursing homes, intermediate care facilities and assisted care facilities in the C-2 designation with a conditional use permit, senior housing and facilities in Specific Plan 3 area as a permitted use, and independent living facilities, assisted living facilities, and skilled nursing facilities in Specific Plan 9 area as a permitted use.

Specific Plan 3 area developments are subject to the requirements found in Chapter 23.103 (Specific Plan 3) of Placentia Municipal Code. Specific Plan 3 area contains requirements for board and care facilities for persons 62 years of age or older, with private bathrooms, central kitchen facilities and services which include transportation, activities programs, housekeeping, linen and laundry service and full-time staff



supervision; and apartment projects for persons 55 years of age or older, which contain a private entry and individual kitchen, but are no larger than two bedrooms, where two bedroom units do not exceed 50 percent of the total number of units.

Specific Plan 9 area developments are subject to the requirements found in Chapter 23.109 (Specific Plan 9) of Placentia Municipal Code. A deed restriction for this area requires that for the life of the structures at least one resident of each independent living unit shall meet the minimum age requirement of 55 years.

The City currently does not have a senior housing zoning designation. The Zoning Code currently permits housing types that provide opportunities for senior housing within various zones.

The City has reviewed §65008 of the *Government Code* and found that the City's Zoning Code does not conflict with state law.

Emergency Shelters

Pursuant to state law (SB 2), jurisdictions with an unmet need for emergency shelters are required to identify a zone(s) where emergency shelters are allowed as a permitted use without a conditional use permit or other discretionary permit. The identified zone must have sufficient capacity to accommodate the shelter need, and at a minimum provide capacity for at least one year-round shelter. Permit processing, development and management standards for emergency shelters must be objective and facilitate the development of, or conversion to, emergency shelters.

- A maximum of 30 beds or persons permitted to be served nightly by the facility;
- Off-street parking at a rate of 1 space per 4 beds plus employee parking, or an alternative ratio based on an analysis of demonstrated need;
- Waiting and client intake area of at least 10 square feet per bed;
- The provision of onsite management at a rate of one staff person for each 15 beds;
- Minimum separation of 300 feet from residential property, parks, schools, or other emergency shelters;
- Maximum length of stay of 45 days within any 120-day period;
- Exterior lighting; and
- A Security and Safety Plan subject to approval by the City Administrator.

Transitional Housing and Supportive Housing

Transitional housing is defined as buildings configured as rental housing and operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient in a predetermined future time, which shall be not less than 6 months.

Supportive housing means housing with no limit on length of stay that is targeted to persons with disabilities or the homeless, and is linked to on- or off-site services that



assist the resident in retaining the housing, improving health status, and maximize the resident's opportunity to live and/or work in the community.

As required by state law, the Zoning Code considers transitional and supportive housing to be residential uses that are subject only to those regulations that apply to other residential uses of the same type in the same zone.

H.I.S. House currently operates a transitional living facility in the City. The facility, which consists of a single-family residence, was sold by the City as the successor housing agency to the non-profit and is deed restricted as affordable housing for a period of 55 years.

Single Room Occupancy (SRO) Units

Single Room Occupancy (SRO) residences are small, one-room units occupied by a single individual, and may either have a shared or private kitchen and bathroom facilities. SROs are rented on a monthly basis typically without a rental deposit, and can provide an entry point into the housing market for Extremely Low-Income individuals, formerly homeless, and disabled persons.

The Zoning Code allows SROs with up to 30 units as a permitted use by-right in the R-3 (High Density Multiple Family) District. Larger SRO developments with more than 30 units require approval of a conditional use permit. SROs are also permitted in the C-2 (Community Commercial) District as part of a mixed-use development subject to a conditional use permit.

Second Dwelling Units

Second dwelling units provide additional opportunities to provide housing for people of all ages and economic levels, while preserving the integrity and character of single-family residential neighborhoods. Placentia permits second units in the R-A, R-1 and PUD-1 districts, and in the SP-7 or RPC districts with an underlying land use designation of low-density residential, provided certain requirements are met.

Requirements for a second unit should comply with all of the development standards for a new single-family detached dwelling unit in the R-A or R-1 zone, including but not limited to, setbacks, height, lot coverage (refer to Table 3-3 – Summary of Single Family Residential Zoning Requirements, page 3-6) and those listed in Section 23.75.020 (Development Plan Review) of the Municipal Code. The following standards also apply:

- The total floor area of an attached second unit cannot exceed 30 percent of the total living area of the primary dwelling unit.
- The total floor area of a detached second unit cannot exceed 1,200 square feet.
- The architecture of the new unit has to be compatible with the existing unit and neighborhood.



- One off-street parking space must be provided in addition to that required for the primary unit. This space does not need to be located within the required front yard setback and may be open.
- Only one exterior entrance on any one side of the building is allowed.
- No exterior stairways on the front of the house are allowed.
- Only one second unit is allowed on any lot.
- The primary unit must continue to comply with the minimum standards applicable to a single-family detached dwelling unit in an R-A or R-1 zone even with the creation of a second unit, including but not limited to maximum lot coverage and minimum floor area.

Housing for Persons with Disabilities

The U.S. Census Bureau defines persons with disabilities as those with a long-lasting physical, mental or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.

The City of Placentia allows, by-right, residential care facilities for 6 or fewer persons in any single-family residence in an R-A, R-1 or R-2 zone. Residential care facilities provide twenty-four hour supervised non-medical care. Group dwellings including nursing homes, rest homes, and other special needs facilities are permitted in residential and commercial districts subject to a use permit.

The City's Municipal Code defines "family" as "an individual or two or more persons related by blood, marriage or adoption, or a group of not more than six persons, excluding servants, who are not related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit." The Housing Plan (Chapter 4) includes Program 2.5 to process a Municipal Code amendment to revise this definition consistent with current law.

To further accommodate housing for persons with disabilities, there are no maximum concentration requirements for residential care facilities. And the City considers parking requirements for residential care facilities on a case-by-case basis.

Reasonable Accommodation Procedures

As a matter of state law (SB 520), cities are required to analyze potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities, and demonstrate local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities. Cities are required to include programs that remove constraints and provide reasonable accommodations for housing designed for persons with disabilities. Zoning Code Chapter 23.59 establishes the process by which persons with disabilities may request a reasonable accommodation and provides for administrative

review and approval by the Director. This process is consistent with state law and assists persons with disabilities in improving their access to housing.

Building Codes and Enforcement

Building and safety codes are adopted to preserve public health and safety, and ensure the construction of safe and decent housing. These codes and standards also have the potential to increase the cost of housing construction or maintenance.

Building Codes

The City of Placentia will adopt the 2013 California Building Code, which establishes construction standards for all residential buildings, and also the 2013 California Green Building Standards Code, prior to its implementation in January 2014. The City amends the code as needed to further define requirements based on the unique local conditions. The code is designed to protect the public health, safety and welfare of Placentia's residents. Code enforcement in the City is performed on a complaint basis.

The local amendments to the Building Codes are derived from Orange County Building Officials, local governments, the Orange County Building Industry Association, and the Orange County Fire Authority. The City has found that the amendments to the 2013 California building code do not unduly influence the cost, availability and conservation of housing.

Code Enforcement

Contained within the City's Police Department and staffed by Police Services Officers, the City's Code Enforcement key objective is maintaining and preserving value and appearance in residential, commercial and industrial properties throughout the City. The City's Code Enforcement representatives enforce the following items:

- Substandard housing;
- Garage conversions;
- Property maintenance;
- Recreation vehicle parking on private property;
- Trash container placement, time and location;
- Illegal business activity;
- Inoperable vehicles on private property; and
- Garage sales and signage.

Code enforcement efforts are focused on property maintenance practices and standards so as to avoid conditions, which can be detrimental to the public health, safety, or general welfare.

Fair Housing and Americans with Disabilities Act

The Federal Fair Housing Act of 1998 (FHA) and the Americans with Disabilities Act (ADA) are federal laws intended to assist in providing safe and accessible housing.



Building requirements and provisions including the minimum percentage of units accessible to persons with physical disabilities in new developments are incorporated into Title 24 of the California Code of Regulations. Compliance with these regulations may increase the cost of housing construction as well as the cost of rehabilitating older units, which may be required to comply with current codes. However, the enforcement of ADA requirements is not at the discretion of the City, but is mandated under federal law.

Planning and Development Fees

Various development and permit fees are charged by the City and other agencies to cover administrative processing costs associated with development. These fees ensure quality development and the provision of adequate services. Often times, development fees are passed through to renters and homeowners in the price/rent of housing, thus affecting the affordability of housing.

The City of Placentia charges the majority of environmental, planning and engineering fees on a fixed fee basis, with some fees deposit-based and ultimately charged on a time and materials basis. The City annually reviews its fees and used a third-party consultant in 2012 to conduct a cost allocation plan and fee study. The development fees are a result of actual costs of providing the services and are reviewed annually based on staffing resources and related expenditures to provide services. Table 3-7 summarizes the total typical development fees for single-family and multi-family developments, based on two projects recently constructed in the City.

In addition to impact fees for schools, parks, libraries and wastewater, the City requires an affordable housing impact fee for developments of five or more units. The fee ranges from approximately \$2,625 to \$5,250 per market-rate unit depending on project size.

Development Fee	Single-Family ¹	Multi-Family ²
Development Plan Review (DPR)	\$50	\$266
Placentia-Linda School District fee	\$6,400	\$3,200
Park in-lieu fee (city)	\$4,978	\$3,628
County Sanitation District fee	\$4,081	\$2,399
County Library Fee	\$1,820	\$1,120
Affordable housing impact fee	\$2,625 - \$5,250	\$2,625 - \$5,250
Total per unit	\$19,904-22,529	\$13,238-15,863

Notes:

¹ Based on a 2,000-sq.ft. single-family house.

² Based on a 1,000-sq.ft. apartment in a 20-unit project.

Source: City of Placentia, 2013



Local Processing and Permit Procedures

Considerable holding costs can be associated with delays in processing development applications and plans. Three levels of decision-making bodies govern the review process in Placentia: the Zoning Administrator, the Planning Commission and the City Council.

The single-family residential zones are R-A and R-1. As shown in Table 3-5, individual single-family units are permitted by-right in R-A, R-1, R-2, RPC, PUD, SP-6, SP-7, and SP-8.

Multi-family dwellings are permitted subject to Development Plan Review approval by the Planning Commission in the R-2, R-G, R-3, SP-3, SP-4, SP-7 and SP-9 zones, and are subject to Planning Commission approval of a conditional use permit in the RPC zone.

The time required to process a project varies depending on the given project's size and complexity and the number of actions and/or approvals required to complete the process. Both single-family residential and multi-family residential developments take between 6 and 12 months for total entitlement and permit processing. Table 3-8 provides a summary of the most common steps in the entitlement process. Not every project is required to follow all the steps outlined in the table. In addition, some of the approval procedures can run concurrently.

To address any constraints posed by processing timelines on residential development, this Housing Element update will include a program to review and revise processing timelines to mitigate and/or remove any identified constraints.



Table 3-8- Approximate Development Timelines

Procedure		Processing Time
Initial Contact	Check Requirements: Zoning, General Plan, Use Permit, Variance Tentative Map, Development Plan Review, CEQA	1-3 days
Preliminary Review	Conceptual Plan Submitted: Circulation, Traffic, Parking, Street Improvements, Building Elevations, Signs, Landscaping, CEQA requirements	1-2 weeks
Formal Submittal	Planning Commission Package: Filing Fee, CEQA (Exemption, Negative Declaration, EIR), Site Plan, Preliminary grading plan, Conceptual landscape plan, building elevations, floor plan	4 weeks
Planning Commission Hearing	Input from staff, applicant and public. (Decisions include condition of approval and standard development requirements	1 day
City Council Hearing (if required)	Same package as submitted to the Planning Commission	3 weeks
Submittal of Working Plans (First Check)	All drawings are reviewed for compliance with city design standards and policies, conditions of approval, specific details not included in conceptual plans. Drawings Submitted include: Engineering plans (Grading and street improvements, sewer, storm drains and utility plans and details) and Building Plans (Structural, electrical, plumbing, heating and ventilation, and air conditioning plans; soil test and reports; structural and energy calculations; landscape and irrigation plans; fence and wall plans; sign plans; and lighting plans).	2-4 weeks
Submittal of Working Plans (Second Check)	All resubmitted plans are reviewed to ensure corrections are completed and all plans consent with each other.	2-4 weeks
Issuance of Permits	Permits are issued after final map is approved and bonds are posted, grading permit issued.	1 day

Source: City of Placentia, April 2009

Environmental and Infrastructure Constraints

Environmental Constraints

Environmental hazards affecting housing units include geologic and seismic conditions, which provide the greatest threat to the built environment. The following hazards may impact future development of residential units in the city.

1. Seismic Hazards

Similar to most southern California cities, Placentia is located within an area considered to be seismically active. No faults have been identified within the City limits. There are six faults within close proximity to Placentia: Whittier-Elsinore, Norwalk, Newport-Inglewood, Sierra Madre, Palos Verdes and San Gabriel. The Whittier-Elsinore fault is located approximately 1,000 feet to the north of Placentia and is able to produce a seismic event of magnitude 6.0 or greater. The impact of earthquakes on Placentia depends on several factors: the particular fault, fault location, distance from the City, and magnitude of the earthquake. Some areas of the City may experience liquefaction and ground failure during extreme shaking. As part of the City’s development review process,



future residential projects would be required to prepare geotechnical studies to abate and potential hazards.

2. Flooding

Portions of the City are located within 100-year flood zones. Inundation is projected to be most significant in the southwest portion of Placentia. Flooding within Placentia as a result of a 100-year flood would be expected to reach an average depth of only one foot and only at specific locations.

Prado Dam is a flood control and water conservation project constructed and operated by the U.S. Army Corps of Engineers, Los Angeles District. The dam is located approximately 11 miles east of Placentia, on the Santa Ana River, west of the City of Corona. In the event of dam failure, the flood wave would reach Placentia in approximately 40 to 45 minutes with possible surge wave depths ranging from nine to twenty-three feet.

Carbon Canyon Dam provides flood control in and around the drainage basin. The dam is located approximately one mile north of Placentia. In the event of the dam's failure at maximum capacity, water would reach the northerly City limits in approximately two minutes with depths ranging from 10 to 30 feet. In the event of a dam failure at either the Prado or Carbon Canyon Dams, the City's emergency evacuation plan would be implemented and emergency service personnel would respond to any hazards.

3. Toxic and Hazardous Wastes

Although definitions of hazardous materials vary, federal, state, and county agencies have generally recognized toxic substances as chemicals or mixtures whose manufacture, process, distribution, use or disposal may present an unreasonable risk to human health or the environment. The OCFA's Hazardous Materials Area Plan provides a detailed hazard analysis of chemical hazards within Orange County.

4. Transportation of Hazardous Materials

Transportation routes through and around the City are used to transport hazardous materials from suppliers to users. Major transportation routes within Placentia include surface streets and railroads. Additionally, the SR-57 and SR-91 freeways are located adjacent to the city. Transportation accidents involving hazardous materials could occur on any of the routes, potentially resulting in explosions, physical contact by emergency response personnel, environmental degradation, and exposure to the public via airborne exposure.

The Federal Department of Transportation (DOT) is the primary regulatory authority for the interstate transport of hazardous materials. The DOT establishes regulations for safe handling procedures (i.e., packaging, marking, labeling and routing). The California Highway Patrol (CHP) enforces the intrastate transport of hazardous materials and hazardous waste.



5. Hazardous Waste Management

The *Orange County Hazardous Waste Management Plan* provides policy direction and action programs to address current and future hazardous waste management issues that require local responsibility and involvement in Orange County. The Plan discusses hazardous waste issues and analyzes current and future hazardous waste generation in the County. The Integrated Waste Management Department (IWMD) of Orange County owns and operates three active landfills, four household hazardous waste collection centers (HHWCC) and monitors ten closed landfills.

The *California Health and Safety Code* (H&SC) establishes regulations requiring businesses within the city to complete a chemical inventory to disclose hazardous materials stored, used, or handled on site. The disclosure information is intended to assist emergency responders in planning for and handling emergencies involving hazardous materials. The main program objective is to safeguard the lives of emergency responders, the public, and to minimize property loss. The H&SC also requires a Business Emergency Plan (BEP) to assist in mitigating a release or threatened release of a hazardous material, and to minimize any potential harm or damage to human health or the environment. Disclosure of hazardous materials is updated annually. The Fire Prevention Department of the OCFA is responsible for the distribution and handling of disclosure forms. Additionally, the OCFA maintains the files of all chemical inventory information and business plans, which are made available for public inspection.

6. Fire Hazards

The City of Placentia is highly urbanized with no wildlands adjacent to areas zoned for residential use. There is minimal potential for fire related to brush or other natural materials. Fire hazards within the City may be associated with industrial uses, hazardous materials, and arson. The County of Orange Fire Authority provides fire protection services to Placentia. There are two fire stations located within the City limits.

7. Noise

Residential land uses are generally considered to be the most sensitive to loud noises. The principal noise sources in Placentia are the transportation systems. Roadways are the primary source of transportation-generated noise. The Burlington North Santa Fe Railroad also runs through the city along the Orangethorpe Corridor. The Placentia Quiet Zone went into effect in August of 2007. Along the quiet zone, all trains are prohibited from using horns unless an engineer feels an emergency exists that threatens human or animal injury or property damage. The Orange County Transportation Authority is also constructing five grade separation projects within the City, which will further diminish the noise impacts of the train traffic.



Infrastructure Constraints

1. Sewer

The City of Placentia operates and maintains approximately 76 miles of gravity sewer pipelines. In addition, the Yorba Linda Water District services approximately 12 to 15 percent of the City. A capacity study of the City's sewer system was conducted in 2000 as part of the Sewer System Master Plan (SSMP). Deficiencies found in that study, as well as those found in an inspection of the Old Town area released in 2003 have been prioritized and were the basis for the initial capital improvement program list. The City Council adopted a sewer service fee in March of 2005 to provide a dedicated source of funding and that funding is used for annual sewer cleaning and improvement projects.

The City maintains and operates the local sanitary sewer collection system, which includes gravity sewers and lift stations. The Orange County Sanitation District (OCSD) collects, treats, and disposes of the wastewater from central and northwestern Orange County, including Placentia. Wastewater generated by the City is transported through trunk lines to OCSD's Plant No. 1 (located at 10844 Ellis Avenue, Fountain Valley) and Plant No. 2 (located at 22212 Brookhurst Street, Huntington Beach) where it receives primary and secondary treatment. Plant No. 1's average daily flow is 90 million gallons per day (MGD) and its capacity is 174 MGD. Similarly, Plant No. 2's average daily flow is 153 MGD and its capacity is 276 MGD. Thus, excess capacity exists at both plants. It is noted up to 10.0 MGD of effluent from Plant 1 is delivered to Orange County Water District (OCWD) for advance treatment, and ultimately used for groundwater recharge and landscape irrigation.

The City's future housing needs would generate increased wastewater flows, placing greater demands on wastewater treatment and collection. The City requires individual assessments of potential impacts to wastewater facilities to ensure future development does not impact the ability to serve future needs. Based upon the analysis of future development need, current infrastructure capacity exists.

2. Water

The City of Placentia is served by the Yorba Linda Water District and the Golden State Water Company. The Yorba Linda Water District has approximately 3,400 service connections in Placentia. The remainder of the city is served by Golden State.

According to the Golden State Water Company's Urban Water Management Plan, there are no factors affecting the wholesale supply of the Placentia system, therefore, there is 100 percent reliability of imported water supply. The Yorba Linda Water District's Urban Water Management Plan indicates that the reliability of the Orange County Basin is less than 100 percent, which is reflective of low groundwater levels due to drought, saltwater intrusion, and increased accumulated overdraft of the Basin. To counteract the intermittent



supply from the Basin during multiple dry water years, wholesale supply reliability is over 100 percent.

The water demand associated with future housing could impact groundwater supplies. The Urban Water Management Plans (UWMPs) for both the Golden State Water Company and the Yorba Linda Water District concluded that the City water supplies would be 100 percent reliable in meeting future water demands. The proposed Housing Element was considered in both UWMPs, since additional residential development was assumed. As such, potential increases in water demand associated with future housing were anticipated in the UWMPs. All future residential development would be subject to compliance with the UWMP's Conservation Programs, which would ensure that future development would incorporate water conservation measures. Therefore, Housing Element program implementation would not substantially deplete groundwater supplies or interfere substantially with groundwater recharge.

On- and Off-Site Improvements

On- and off-site improvements may be required in conjunction with development based on the location of the project and existing infrastructure. Dedication and construction of streets, alleys and other public easements and improvements may be required to maintain public safety and convenience.

The City's standards and requirements for streets, sidewalks, and other site improvements are found in the Municipal Code. Table 3-9 summarizes the City's standards for roadway and right-of-way widths.

Streets	Right-of-Way Width (in feet)	Pavement Width Curb Face to Curb Face (in feet)	Median Island Width (in feet)
Major street	120	104	14
Primary or modified major street	100	84	14
Secondary or modified primary street	80	64	N/A
Modified secondary street	64	52	N/A
Local industrial street	60	44	N/A
Local residential/ commercial street	60	40	N/A
Minor residential street - 500 feet or less in length	56	36	N/A
Minor residential street - looped 800 feet or less	56	36	N/A
Minor residential street - cul-de-sac, 500 feet or less serving 12 lots or less	56	36	N/A
Cul-de-sacs residential/commercial	50 radius	40 radius	N/A
Cul-de-sacs industrial	50 radius	44 radius	N/A

Source: City of Placentia, Municipal Code



Minimum sidewalk widths shall be as follows:

- Residential district- 4.5 feet
- Commercial district- Minimum 7.5 feet
- Industrial district- Minimum 5.5 feet

New subdivisions may be required to dedicate land for public facilities such as schools, parks, libraries, fire stations or other public uses based on the land requirements for such facilities in the adopted General Plan.

Tree well easements shall be provided on major, primary, and secondary streets in accordance with the City's Municipal Code. Trees will be installed by the developer in accordance with the master plan of street trees and City standards.

The on- and off-site improvements required by the City are necessary to adequately provide the infrastructure and public facilities that support housing development. These requirements ensure public safety and health; and are not jeopardized by increased development and do not unduly hinder housing development.

3.3 Non-Governmental Constraints

Land Prices

Land costs influence the cost of housing. Prices are determined by a number of factors, most important of which are land availability and permitted development density. As land becomes less available, the price of land increases. The price of land also increases as the number of units permitted on each lot increases. In Orange County, undeveloped land is limited and combined with a rapidly growing population land prices have increased. Prices for vacant residential land in Placentia are estimated to be \$35 to \$50 per square foot.

Construction Costs

Construction cost is affected by the price of materials, labor, development standards and general market conditions. The City has no influence over materials and labor costs, and the building codes and development standards in Placentia are not substantially different than most other cities in Orange County. Construction costs for materials and labor have increased at a slightly higher pace than the general rate of inflation according to the Construction Industry Research Board. Typical residential construction cost is estimated to be \$100-140 per square foot for standard quality development.

Financing

Mortgage interest rates have a large influence over the affordability of housing. Higher interest rates increase a homebuyer's monthly payment and decrease the range of housing that a household can afford. Lower interest rates result in a lower cost and lower monthly payments for the homebuyer.



The recent crisis in the mortgage industry has affected the availability of real estate loans, although the long-term effects are unpredictable. The credit “crunch” resulted when “sub-prime” lenders made it possible for families who could not qualify for standard mortgages to become home owners even though they might not have had the credit history and income to support repayment of the loans. The problem typically occurred with adjustable rate mortgages (ARMs) after the initial fixed interest rate period expired (often two to three years) and the interest rate converted to market. Because ARMs often offer “teaser” initial interest rates well below market for the first few years, monthly payments may increase by several hundred dollars when the loan adjusts to market rate. When property values were increasing, as was the case from 2000 to 2006, homeowners had the option of refinancing to a new loan when the initial rate expired. However, after the real estate crash of 2008, homeowners often owed more than the value of their home, making refinancing impossible. As a result of these conditions, there was a significant rise in foreclosure rates, and changes in mortgage underwriting standards have made it much more difficult to obtain financing. It is likely that the credit tightening will have greater impacts on low-income families than other segments of the community.

Table 3-10 shows 2011 loan application data by income category for Orange County. It is not surprising that the percentage of loan application denials is highest for the very-low income (less than 50 percent of the MFI) category with 25 percent.

Income Group	Total Applications	Loans Originated	Applications Denied	Percentage Denied
< 50% MFI	324	153	80	24.7%
50-79% MFI	1,681	1,037	278	16.5%
80-99% MFI	1,428	960	185	13.0%
100-119% MFI	1,126	772	136	12.1%
>= 120% MFI	3,240	2,269	375	11.6%
Total	7,927	5,269	1,070	13.5%

Source: Federal Financial Institutions Examination Council, HMDA Data, 2011



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Chapter 4: Housing Plan

This section describes Placentia’s goals, policies, programs, and objectives for the 2013-2021 Planning Period related to the preservation, improvement and development of housing in the City. These policies and actions address current and future housing needs, meet the requirements specified by state law and consider the input by residents and stakeholders. While the plan provides a comprehensive approach to address housing issues throughout the City, the emphasis is on actions enabling the City to increase and maintain housing opportunities affordable to extremely-low-, very-low-, low- and moderate-income households.

4.1 Housing Goals and Programs

Placentia’s housing goals focus on four policy priority areas. Goals are provided to address each of these areas and programs are developed to support and implement each goal. The four priorities are:

1. Developing and Maintaining Housing Supply and Variety
2. Promoting Equal Housing Opportunity
3. Promoting Housing and Neighborhood Preservation and Conservation
4. Encouraging Housing Cooperation and Coordination

Goal HE-1: Housing Supply and Variety

Develop and maintain an adequate supply of housing that varies sufficiently in cost, size, type, and tenure to meet the economic and social needs of existing and future residents within the constraints of available land.

Program HE-1.1: Manufactured Housing and Mobile Homes

The City of Placentia recognizes the importance of manufactured housing and mobile homes as a means to provide affordable housing for the City’s residents. The City shall explore land use policies, regulations, and programs to facilitate and encourage manufactured housing and amend the Municipal Code in compliance with state law. These policies, regulations, and programs may include, but are not limited to, flexible development standards, technical assistance, and referrals to the County of Orange Mobile Home Exterior Grant Program. There are four mobile home parks within the City.

Objective:	Use of manufactured housing
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Review policies, regulations and programs and process a Zoning Code amendment by June 2014



Program HE-1.2: Locate Housing Near Transportation, Employment and Services

To increase livability within new housing developments, the City shall encourage and coordinate the location of major housing developments, particularly affordable housing and multi-family units near transportation options, major employment centers and services. The City, through a sustainability grant provided by the Southern California Association of Governments, is preparing a transit-oriented development (TOD) zone south of the future Metrolink station. The TOD will provide for residential uses in proximity to the transit station as well as entertainment, retail and office spaces. The development regulations for the TOD area will encourage and facilitate multi-family residential development and live-work units. The City will also encourage housing near transportation, employment, and services through Program HE-1.15: Transit-Oriented Development.

Objective:	Encourage new housing in proximity to transportation, employment and services
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

Program HE-1.3: Pursue County, State, and Federal Housing Funds

Monitor availability of county, state, and federal housing programs and pursue available funds as appropriate. The City shall encourage and coordinate with housing developers and service organizations to obtain funds for affordable housing projects, initially through pre-application meetings and throughout project development. The City shall also make funding information available to all proposed developers in the City through informational materials distributed through the City’s website and at pre-application meetings.

Objective:	Increase use of county, state and federal funds
Responsible Agency:	Development Services
Funding Source:	County, state and federal programs
Implementation Schedule:	Monitor funding opportunities on an annual basis and apply for funding as opportunities arise



Program HE-1.4: Emergency Shelters and Transitional and Supportive Housing

During the previous planning period the Zoning Code was amended to facilitate the provision of emergency shelters and transitional/supportive housing in compliance with State Law (SB 2). The City will continue to encourage these types of housing opportunities.

Objective:	Continue to encourage the provision of emergency shelters, transitional and supportive housing
Responsible Agency:	Development Services
Funding Source:	General Fund (including funds from County, State and Federal governments)
Implementation Schedule:	Ongoing

Program HE-1.5: Infrastructure Provision

To ensure that requirements for infrastructure provision are not considered an undue constraint to residential development, the City shall review infrastructure provision costs and procedures on an annual basis. Based on its findings, the City shall work with housing developers to reduce costs and streamline infrastructure-financing programs.

Objective:	Reduce constraints associated with infrastructure
Responsible Agency:	Development Services/Public Works/Engineering
Funding Source:	General Fund, CDBG, Capital Improvements Program
Implementation Schedule:	Annual review, revisions as appropriate

Program HE-1.6: Development Processing System Review

The City shall review existing procedures for project review, processing and building plan check to determine if the procedures are a constraint to housing development. Based on these findings, the City shall develop programs and procedures to minimize processing timelines for extremely-low-, very-low-, low- and moderate-income housing developments. The City shall monitor processing timelines and modify as needed to further encourage affordable housing development.

Objective:	Minimize development review/processing time
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing, Annual Review



Program HE-1.7: Vacant and Underutilized Land Inventory

To provide additional areas for housing development and maximize the potential for a variety of housing types, the City will identify vacant and underutilized sites for development of residential units. Additionally, the City will maintain and update an inventory of these sites on an annual basis. The City will provide information about these sites to housing developers through printed materials available at City Hall and electronically on the City’s website.

Objective:	Inventory of vacant and underutilized land
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Annual update of inventory

Program HE-1.8: Adequate Sites for Housing Development

The City has a lower-income growth need of 231 dwelling units during the 2014-2021 timeframe, which includes a carryover of unaccommodated need from the previous Housing Element cycle. To ensure the availability of adequate sites to accommodate this projected need, the City shall develop and adopt a Transit Oriented Development zone for the area immediately south of the proposed Metrolink Station and downtown. As part of the TOD zone, the City shall rezone a minimum of 8 acres to permit by-right multi-family, rental and ownership residential development at a density of 30 units per acre (or an amount of land needed to accommodate at least 231 units at an alternate density of more than 30 units/acre). Of the rezoned land, at least half of the capacity shall be provided on sites that permit exclusively residential uses by-right. The lower-income growth need shall be accommodated on sites with densities and development standards that permit a minimum of 20 units/acre and 16 units per site.

The City has identified the opportunity sites to accommodate the remaining lower-income need in Appendix B of this Housing Element. The City shall encourage the development of housing on the opportunity sites through financial incentives (such as land write-downs; assistance with on- or off-site infrastructure costs, fee waivers, or deferrals to the extent feasible); expedited entitlement review; in-kind technical assistance; and other regulatory concessions or incentives. The City will also provide incentives for lot consolidation (see Program HE 1.18).



Objective:	Rezone a minimum of 8 acres to permit residential development at a density of 30 du/ac
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Prior to October 2014

Program HE-1.9: Monitoring of Constructed Units Based on Income-Level

To effectively track performance during the planning period, the City will track the income levels of units constructed by including an estimate sales/rental value at the time of unit occupancy. This value will be included as part of the building permit application to reflect the assumed market value of the home constructed.

Objective:	Tracking performance by income level.
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

Program HE-1.10: Encourage Development of Housing for Extremely-Low-Income Households

The City will encourage the development of housing units for households earning 30 percent or less of the Area Median Income for Orange County. The City shall work with non-profit developers and service providers with the specific emphasis on providing family housing and non-traditional housing types such as single-room-occupancy units, transitional housing and units serving temporary needs by providing in-kind technical assistance and support in seeking funding. The City shall encourage housing for extremely-low-income households through incentives and activities such as technical assistance, expedited processing and flexibility in development standards.

Objective:	67 ELI Units (by 2021)
Responsible Agency:	Development Services
Funding Source:	General Fund//HOME/CDBG/LIHTC
Implementation Schedule:	Annual consultation with affordable housing developers, or as development opportunities arise

Program HE-1.11: Amend the Density Bonus Ordinance

The City of Placentia currently provides for a density bonus, incentives and concessions to facilitate and encourage the development of lower-income housing units through its Density Bonus Ordinance. To further the effectiveness of the City’s Density Bonus Ordinance consistent with the requirements of SB1818 the City will process an amendment to the ordinance for review and approval by the City Council by February 2014.



The City will inform housing developers of the Density Bonus Ordinance through informational materials distributed at City Hall, on the City's website and during pre-application meetings.

Objective:	Revise the Density Bonus Ordinance
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	February 2014

Program HE-1.12: Development of Senior Housing

The City recognizes the unique character of the senior population. Seniors typically have specialized housing needs and fixed incomes that may require housing units not generally included in market rate housing. The City shall encourage the development of a wide range of housing choices for seniors through incentives (e.g. financial assistance, parking reductions, regulatory waivers, etc.). These may include independent living communities and assisted living facilities with on-site services and access to health care, nutrition, transportation and other appropriate services.

Objective:	Senior Housing Development
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

Program HE-1.13: Development of Housing for Larger Families

The City recognizes that providing appropriately sized housing units for families is important to improving livability, reducing instances of overcrowding and minimizing deferred maintenance issues. The City shall encourage incorporation of larger bedroom counts in for-sale and rental housing developments to accommodate the needs of larger families through activities such as technical assistance, expedited processing, and flexibility in development standards.

Objective:	Housing units with larger bedroom counts
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

Program HE-1.14: Housing for Persons with Special Needs

The City understands the need for housing to accommodate persons and families with special needs. The City shall work with non-profit housing developers, service providers and the County of Orange to encourage and support the development of housing for special needs households, including persons with developmental disabilities, through activities such as technical assistance, assistance in seeking funding, expedited processing and flexibility in development standards.



Objective:	Housing units for households with special needs
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

Program HE-1.15: Transit-Oriented Development

A Transit-Oriented Development is a compact mixed-use or commercial area designed to maximize access to public transport, and often incorporates features to encourage transit ridership. Consistent with federal, state and regional policies focusing on concentrated growth around transit, the City shall solicit proposals for transit-oriented developments and consider partnerships with local jurisdictions, other transit and regional agencies, and the private sector to implement development plans. The City shall encourage Transit-Oriented Developments through incentives that may include financial assistance, density bonus, regulatory waivers, etc. (see also Programs 1.2 and 1.8).

Objective:	Encourage transit-oriented development
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

Program HE-1.16: Single-Room Occupancy (SROs)

Single-room-occupancy developments (SROs) provide housing opportunities for lower-income individuals, persons with disabilities, and the elderly. State law requires that jurisdictions identify zoning districts available to encourage and facilitate a variety of housing types, including SROs. The Zoning Code allows SRO developments in the R-3 and C-2 districts. The City will continue to encourage development of SROs through a variety of methods including financial assistance, density bonus, regulatory concessions, etc.

Objective:	Facilitate development of SROs
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

Program HE-1.17: Residential Parking Requirements

The City's greatest potential for affordable housing development exists in the area near the Metrolink station. As part of the new TOD zone for this area, the City will adopt parking standards based on the realistic demand and opportunities for shared parking in TOD and mixed-use developments, especially new housing units affordable to lower- and moderate-income households. The City will also initiate an amendment to the Code to revise



multi-family parking standards for small (i.e., studio or 1-bedroom) units to reduce this potential constraint.

Objective:	Adopt appropriate parking requirements for new TOD and mixed-use development; Review existing multi-family parking standards and revise as necessary
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	2014

Program HE-1.18: Encourage and Facilitate Lot Consolidation

The City will encourage and facilitate consolidation of vacant and underutilized lots to create larger building sites for residential development through a lot consolidation density incentive that allows a 5% density increase when parcels totaling at least 0.5 acre are consolidated, and a 10% density increase when parcels totaling at least 1.0 acre are consolidated. This incentive program will be publicized to developers and other interested parties through printed materials available at City Hall and electronically on the City's website.

Objective:	Encourage/facilitate lot consolidation
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Zone Code amendment in 2014

Goal HE-2: Equal Housing Opportunity

Promote equal housing opportunities for all persons without discrimination regardless of race, religion, ethnicity, sex, age, disability, marital status or household composition.

Program HE-2.1: Support Regional Fair Housing Efforts

The City will continue to disseminate information regarding fair housing in a variety of locations including City Hall, the City website and the library, and refer fair housing inquiries to the Fair Housing Council of Orange County. The organization provides community education, individual counseling, mediation, and low-cost advocacy with the expressed goal of eliminating housing discrimination and guaranteeing the rights of all people to freely choose the housing for which they qualify in the area they desire.



Objective:	Fair housing activities
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

Program HE-2.2: Section 8 Rental Assistance

The City will continue to provide referral services and information to residents regarding the Section 8 Rental Housing Assistance Program administered by the Orange County Housing Authority.

Objective:	Provide information regarding housing assistance
Responsible Agency:	Orange County Housing Authority
Funding Source:	HUD
Implementation Schedule:	Ongoing

Program HE-2.3: Reasonable Accommodation Procedures

In compliance with SB 520, the City will continue to implement the Reasonable Accommodation Ordinance, which provides relief from local regulations and permitting procedures that may have a discriminatory effect on housing for persons with disabilities.

Objective:	Provide reasonable accommodation in housing regulations for persons with disabilities
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

Program HE-2.4: Comprehensive Housing Resource Directory

The City of Placentia will continue to coordinate with the County of Orange on the preparation and maintenance of a Comprehensive Housing Resource Directory, which will be made available on the City's website and in print form at City Hall, the library and other public buildings.

Objective:	Housing Resource Directory
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing



Program HE-2.5: Zoning Regulations

The Municipal Code establishes a limit of six unrelated persons within the definition of a “family” for zoning purposes. State law provides that a “family” consists of a group of unrelated persons living together as a single housekeeping unit without regard to the number of persons. The City will initiate an amendment to the Municipal Code by March 2014 to revise the definition consistent with state law.

Objective:	Revise the Municipal Code definition of family consistent with current law
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	March 2014

Goal HE-3: Neighborhood Preservation

Encourage activities that conserve and improve existing residential neighborhoods including a housing stock that is well maintained and structurally sound, and with adequate services and facilities provided; and having a sense of community identity.

Program HE-3.1: Community Based Neighborhood Rehabilitation

Encourage neighborhood rehabilitation programs that maximize community participation in the maintenance and improvement of housing in individual neighborhoods. The City will coordinate with and assist neighborhood and non-profit organizations in implementing programs such as “Neighborhood Pride Days” where the City will collect electronic waste and bulk waste from residents, promote neighborhood cleanup and beautification especially in low-income areas.

Objective:	Conserve and improve existing residential neighborhoods
Responsible Agency:	Development Services
Funding Source:	CDBG
Implementation Schedule:	Ongoing

Program HE-3.2: Neighborhood Identity

Encourage the creation of neighborhood themes and identity in all types of residential developments by use of building material, texture, color and landscaping linked with architectural styles.

Objective:	Create neighborhood identity
Responsible Agency:	Development Services
Funding Source:	Private sources
Implementation Schedule:	Ongoing



Program HE-3.3: Placentia Rehabilitation Grant Program

The City of Placentia shall continue to provide grants to rehabilitate owner-occupied, very-low-income housing units. The City shall outreach to potential applicants through the City’s website and print material.

Objective:	72 units
Responsible Agency:	Development Services
Funding Source:	CDBG
Implementation Schedule:	Ongoing

Program HE-3.4: Energy Conservation and Sustainable Building Practices

The City recognizes that utility costs contribute to a household’s overall expenditure for housing. The City shall promote energy and water conservation and “green building” in new and existing residential developments by providing educational materials on the City’s website and in print form at City Hall, the library and at other public buildings. Compliance with Title 24 of the California Building Code will be required of all residential construction necessitating a building permit. The City shall also refer residents to local utility providers for energy and water conservation programs through the City’s website. Finally, through participation in the HERO Program, the City shall provide information and encourage property owners to participate in the property-assessed conservation improvements as allowed by the program.

Objective:	Energy conservation/reduced utility costs
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Continue to provide energy conservation educational materials to residents

Program HE-3.5: Monitoring At-Risk Units

The City shall continue to monitor units in the City with affordability covenants that will expire during the planning period. To encourage the preservation of these “at-risk” units, the City shall coordinate with the County and non-profit housing organizations to encourage the extension and/or renewal of deed restrictions or covenants.

Objective:	Encourage preservation and extension/renewal of “At Risk” units
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing coordination with the County and nonprofits



Program HE-3.6: Vacant Building Ordinance

To prevent blight and deterioration of Placentia’s residential and non-residential neighborhoods, the Municipal Code establishes owner responsibilities for the maintenance and rehabilitation of long-term vacant buildings. The ordinance requires the registration of vacant properties resulting from foreclosure, and provides for an administrative monitoring program for boarded-up and vacant buildings. To ensure compliance, the ordinance imposes fees and civil penalties; and provides for administrative review and appeal opportunities. The City will continue to implement this ordinance to prevent blight and deterioration in Placentia’s neighborhoods.

Objective:	Prevent blight and deterioration in neighborhoods
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

Goal HE-4: Housing Cooperation and Coordination

Coordinate local housing efforts with appropriate federal, state, regional, and local governments and/or agencies and to cooperate in the implementation of intergovernmental housing programs to ensure maximum effectiveness in solving local and regional housing problems.

Program HE-4.1: Partnerships with the Housing Industry

The City of Placentia has limited resources to use for the development and maintenance of affordable housing. In order to maximize its funding and staff resources, the City shall seek opportunities to partner with non-profit and for-profit housing developers.

Specifically, the City shall proactive seek partnerships to develop affordable housing on identified sites within the TOD area near the Metrolink Station to meet the City’s lower-income housing growth need. The City shall contribute to the partnership through activities such as in-kind technical assistance, support in seeking grant and funding opportunities, and financial assistance, which may include land write-downs and assistance with on- or off-site infrastructure costs where feasible.

Objective:	Establish partnerships with nonprofit and for-profit housing developers
Responsible Agency:	Development Services/ Neighborhood Services Division
Funding Source:	General Fund, state and federal grants
Implementation Schedule:	Ongoing



Program HE-4.2: Participation in Continuum of Care Forum

The City recognizes that homelessness is both a local and regional issue that requires a comprehensive and coordinated effort among various cities and agencies throughout the region. The City of Placentia will continue to participate in the County of Orange Continuum of Care Forum to pool resources to address homeless needs.

Objective:	Continue participation in the County of Orange Continuum of Care Forum
Responsible Agency:	Development Services
Funding Source:	General Fund
Implementation Schedule:	Ongoing

4.2 Quantified Objectives

Activity	Quantified Objective
New Construction	
Extremely Low	67
Very Low	66
Low	98
Moderate	90
Above Moderate	209
Total	530
Rehabilitation	
Acquisition and Rehabilitation	6 (2 Extremely Low, 2 Very Low, 2 Low)
Placentia Rehabilitation Grant Program	30 Very Low/Low
Conservation	
At-Risk Units	Imperial Villas - 58 units



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Appendix A: Community Outreach

Public participation is an important component of the Housing Element update. *Government Code* §65583(c)(8) states that "The local government shall make diligent effort to achieve public participation of all the economic segments of the community in the development of the housing element, and the program shall describe this effort." Public participation played an important role in the formulation and refinement of the City's housing goals and policies and in the development of a Land Use Plan that determines the extent and density of future residential development in the community.

City residents and other interested parties were given several opportunities to identify housing issues of concern, recommend strategies, review the draft element, and provide recommendations to decision-makers on the Housing Element. A public hearing was held by the Planning Commission on September 24, 2013, followed by a public hearing by the City Council on January 7, 2014. Organizations that participated in these meetings or submitted comments included the Kennedy Commission, the Regional Center of Orange County (RCOC), and city residents. Comments on the draft Housing Element during the public review process along with how those comments have been considered are summarized below. The City will continue to consult with interested organizations such as the Kennedy Commission and RCOC during the implementation process for programs described in the Housing Plan (Chapter 4) as well as subsequent updates to the Housing Element.

Comment	Response
How was the City's RHNA share determined?	The RHNA is determined by SCAG based on the same regional growth forecast that is used in the Regional Transportation Plan. The distribution of each city's total RHNA share to income categories is based on the countywide income distribution with adjustments to avoid overconcentration of low-income households.
How are income limits determined?	Income limits are determined based on a percentage of the median county income, with some adjustments in high housing cost areas such as Orange County. The percentages associated with each income category are as follows: Very Low: 50% or less of median income Low: 51 – 80 % of median income Moderate: 81 – 120% of median income Above Moderate: Over 120% of median income
Is the City required to rezone property to high density?	When a city does not have adequate capacity to accommodate its assigned share of lower-income housing, rezoning is required. State law establishes a "default density" of 30 units/acre that is deemed to be suitable for lower-income housing.

Appendix A: Community Outreach



<p>With the dissolution of the Redevelopment Agency, the City lost a significant source of funding for affordable housing. How does that affect the City's housing obligations?</p>	<p>While the loss of redevelopment funding significantly reduces the City's ability to provide assistance to affordable and special needs housing, the City's obligations are primarily related to zoning and development standards. Cities are not required to build or subsidize affordable housing.</p>
<p>Are there any incentives for certification of the Housing Element?</p>	<p>There are some grant programs that are available to cities with certified Housing Elements, such as the Housing Related Parks Program, which offers grant funds to cities that have approved affordable housing developments.</p>
<p>There is a great need for affordable housing for persons with developmental disabilities. What can the City do to address that need?</p>	<p>Affordable housing for persons with special needs is an important priority for the City. Unfortunately, the state's dissolution of redevelopment agencies eliminated a significant source of local funding for affordable housing. Without financial resources the City is limited in what it can do to facilitate affordable housing development. The new Housing Element includes programs to rezone property for higher density, which can help to reduce development cost. The City will also work with developers to facilitate grant applications and expedite the review process for affordable housing developments.</p>
<p>The data regarding persons with developmental disabilities is not correct?</p>	<p>The data reported in the Housing Element is based on information from the Regional Center of Orange County. Prior to adoption of the final Housing Element, the City will check with RCOC regarding the most current data.</p>

Meeting notices were posted on the City's website, and notification was published in the local newspaper in advance of the meetings. Copies of the draft Housing Element were made available for review at City Hall and were posted on the City website, and notices were sent directly to housing interest groups and organizations that serve the City's special needs populations (see Exhibit C-1).



**Exhibit A-1
Public Meeting Notification List**

Kennedy Commission
Attn: Cesar Covarrubias
17701 Cowan Ave., Suite 200
Irvine, CA 92614

Jacqui Kerze
Community Outreach Coordinator
Regional Center of Orange County
P.O. Box 22010
Santa Ana, CA 92702-2010

OC Association of Realtors
Attn: Teryll Hopper
25552 La Paz Road
Laguna Hills, CA 92653

Public Law Center
Attn: Pauline Chow
601 Civic Center Drive West
Santa Ana, 92701

Community Housing Resources, Inc.
Linda Nelson
17701 Cowan Avenue, Suite 200
Irvine, CA 92614

Jamboree Housing Corp.
Laura Archuleta
17701 Cowan Avenue
Suite 200
Irvine, CA 92614

The Related Companies of California
Frank Cardone
18201 Von Karman Ave Ste 900
Irvine, CA 92612

OC Housing Trust
Attn: Ken Mutter, Exec. Director
198 W. Lincoln Ave., 2nd Floor
Anaheim, CA 92805

Neighborhood Housing Services of
Orange County
Attn: Glen Hayes, Executive Director
198 W. Lincoln Ave., 2nd Floor
Anaheim, CA 92805

OC Business Council
Attn: Kris Murray
2 Park Plaza, Suite 100
Irvine, CA 92614

Habitat for Humanity of Orange County
2200 S. Ritchey St.
Santa Ana, CA 92705

City of Fullerton
Attn: Joan Wolff, AICP
Planning Manager
303 W. Commonwealth Ave.
Fullerton, CA 92832

BIA/OC
Attn: Mike Balsamo, Executive Director
17744 Sky Park Circle #170
Irvine, CA 92614

City of Yorba Linda
Attn: Steve Harris
Community Development Director
4845 Casa Loma Avenue
Yorba Linda, CA 92885

City of Anaheim
Attn: Sheri Vander Dussen
Community Development Director
200 S. Anaheim Blvd.
Anaheim, CA 92805

City of Brea
Attn: Eric Nicoll
Community Development Director
1 Civic Center Circle
Brea, CA 92821

Orange County Housing Authority
1770 North Broadway
Santa Ana, CA 92706

Fair Housing Council of Orange
County
201 South Broadway
Santa Ana, CA 92701-5633

Orange County Community Housing
Corporation
2024 North Broadway, 3rd Floor
Santa Ana, CA 92706-2623



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Appendix B: Residential Land Resources

Regional Housing Needs Assessment

California Housing Element law mandates that each city show it has adequate sites available through appropriate zoning and development standards and with the required public services and facilities for a range of housing types and incomes. This evaluation of adequate sites represents planning goals, and not a quota or mandate for actual production of housing within the planning period. The City must demonstrate that it has the capacity or adequate sites to accommodate the projected need for housing at all income levels.

SCAG, the Council of Governments (COG) representing the region, in cooperation with local jurisdictions, is responsible for allocating the region's projected new housing demand in each jurisdiction. This process is known as the Regional Housing Needs Assessment (RHNA) and the goals are referred to as the "regional share" goals for new housing construction. The allocation takes into account factors such as market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, and type and tenure of housing needs. In determining a jurisdiction's share of new housing needs by income category, the allocation is adjusted to avoid an over-concentration of lower income households in any one jurisdiction. The allocation is divided into four income categories:

- Extremely-Low Income: 0 to 30 percent of the area median income;
- Very-Low Income: 31 to 50 percent of the area median income;
- Low Income: 51 to 80 percent of the area median income;
- Moderate Income: 81 to 120 percent of the area median income;
- Above-Moderate Income: more than 120 percent of the area median income.

The RHNA prepared by SCAG for the planning period of January 1, 2014 through October 1, 2021 identifies the City of Placentia's share of the region's housing needs as 492 new housing units, distributed among income categories as shown in Table B-1.

Unaccommodated Need from the Prior Planning Period

Government Code §65584.09 requires that any portion of the regional housing need that was not accommodated in the prior planning period must be added to the housing need for the current period. The City's assigned share of lower-income need was 38 units in the prior period, and because the City does not have adequate sites with appropriate zoning to accommodate these units, they must be added to the 193 lower-income units for the current period, resulting in a total lower-income need of 231 units (Table B-1). Adequate capacity existed in the prior planning period to accommodate the City's share of moderate- and above-moderate units.



Table B-1 – Regional Housing Need 2014-2021

Income Category	Very Low ¹	Low	Moderate	Above Moderate	Total
RHNA 2014-2021 ²	112	81	90	209	492
Unaccommodated Need 2006-2014	21	17	--	--	38
Total Need 2014-2021	133	98	90	209	530

Notes:
¹ Extremely Low-Income need is assumed to be 50% of Very Low-Income need
² The RHNA projection period covers the period 1/1/2014 – 10/1/2021
 Source: SCAG 2012, City of Placentia 2013

Adequate Sites Analysis

The City’s potential sites for housing development are described below. Like most older cities in the Southern California metropolitan area, Placentia has minimal areas of vacant land. The majority of vacant land is within Specific Plan 7. This area is bounded by the south side of Buena Vista Avenue to the north, the east side of Rose Drive to the west, the north side of Orangethorpe Avenue along the south, and the west side of Van Buren Street to the east. Many of the vacant parcels are contiguous land areas too small to allow for construction. However, through lot consolidation these parcels have the potential to provide opportunities for new housing construction. Table B-3 shows vacant sites that are suitable for residential development. The vacant residential land in Placentia has the capacity for construction of 226 residential units. Based on the densities permitted in these areas, the units would be affordable to moderate- and above-moderate-income households.

As shown in Table B-2, there is adequate capacity to accommodate the City’s need for moderate- and above-moderate-income housing but there is a shortfall of 231 lower-income units. This shortfall will be addressed through the rezoning of underutilized parcels in a new TOD zone in the downtown area (see Program 1.8 in Chapter 4). Potential sites for rezoning are described in Table B-4.

Table B-2 – Residential Sites vs. Regional Housing Need 2014-2021

Income Category	Very Low	Low	Moderate	Above Moderate
Housing Need	133	98	90	209
Vacant Sites	--	--	163	63
Adequate Capacity?	(133)	(98)	Yes	Yes*

*It is expected that above-moderate units will be accommodated with surplus moderate sites and underutilized parcels.
 Source: City of Placentia, 2013

Appendix B: Residential Land Resources



Table B-3 – Vacant Land Permitting Residential Development

APN	Zoning Designation	General Plan Designation	Acres	Permitted Density	Units	Notes
Moderate-Income Sites						
336-520-26	PUD	Medium Density	0.216	15 du/ac	3	
337-241-63	R-1	Medium Density	0.143	15 du/ac	2	
339-361-05	R-2	Medium Density	0.066	15 du/ac	1	
339-364-18	R-2	Medium Density	0.134	15 du/ac	2	
339-392-20	R-2	Medium Density	0.149	15 du/ac	2	
339-392-21	R-2	Medium Density	0.102	15 du/ac	1	
341-122-83	PUD	Medium Density	1.134	15 du/ac	17	
341-122-89	PUD	Medium Density	1.445	15 du/ac	21	
341-352-10	SP	Medium Density	0.227	15 du/ac	3	Specific Plan 7
341-362-01	SP	Medium Density	0.078	15 du/ac	1	Part of contiguous area of vacant land; Specific Plan 7
341-362-02	SP	Medium Density	0.693	15 du/ac	10	Specific Plan 7
341-374-01	R-G	Medium Density	0.258	15 du/ac	3	
341-375-01	R-G	Medium Density	0.298	15 du/ac	4	
341-375-02	R-G	Medium Density	0.224	15 du/ac	3	
341-481-28	SP	Medium Density	1	15 du/ac	15	Specific Plan 7
343-712-47	PUD	Medium Density	0.046	15 du/ac	1	Potential for lot consolidation
343-712-48	PUD	Medium Density	0.129	15 du/ac		
343-712-49	PUD	Medium Density	0.031	15 du/ac		
343-712-69	PUD	Medium Density	0.041	15 du/ac		
343-682-24	PUD	Medium Density	0.109	15 du/ac	1	
343-691-06	R-G	Medium Density	4.134	15 du/ac	62	
343-712-03	PUD	Medium Density	0.424	15 du/ac	6	
344-031-02	R-3	High Density	0.195	25 du/ac	4	
344-143-15	R-2	Medium Density	0.114	15 du/ac	1	
Subtotal – Moderate Income Sites					163	
340-461-13	PUD	Low Density	0.218	6 du/ac	1	
340-511-66	RPC	Low Density	0.257	6 du/ac	1	
341-022-10	R-1	Low Density	0.471	6 du/ac	2	
341-042-39	R-1	Low Density	0.365	6 du/ac	2	
341-042-43	R-1	Low Density	0.381	6 du/ac	2	
341-081-34	R-1	Low Density	0.218	6 du/ac	1	
341-081-36	R-1	Low Density	0.341	6 du/ac	2	
341-082-02	R-1	Low Density	0.546	6 du/ac	3	
341-093-02	R-1	Low Density	0.232	6 du/ac	1	
341-093-02	R-1	Low Density	0.243	6 du/ac	1	
341-201-35	R-1	Low Density	0.491	6 du/ac	2	
341-343-10	SP	Low Density	0.179	6 du/ac	1	Specific Plan 7
341-352-15	SP	Low Density	0.169	6 du/ac	1	Specific Plan 7
341-354-01	SP	Low Density	0.178	6 du/ac	1	Specific Plan 7
341-354-02	SP	Low Density	0.256	6 du/ac	1	Specific Plan 7
341-361-01	PUD	Low Density	0.964	6 du/ac	5	
341-361-02	SP	Low Density	0.399	6 du/ac	2	Specific Plan 7
341-421-33	SP	Low Density	0.409	6 du/ac	2	Specific Plan 7
341-431-01	SP	Low Density	0.436	6 du/ac	2	Specific Plan 7
341-433-23	SP	Low Density	0.48	6 du/ac	2	Specific Plan 7
346-171-01	R-1	Low Density	0.646	6 du/ac	3	
346-172-24	R-1	Low Density	0.264	6 du/ac	1	
346-173-01	R-1	Low Density	0.201	6 du/ac	1	
346-181-01	R-1	Low Density	0.234	6 du/ac	1	
340-401-28	R-1	Low Density	0.16	6 du/ac	1	Potential for lot consolidation



Table B-3 – Vacant Land Permitting Residential Development

APN	Zoning Designation	General Plan Designation	Acres	Permitted Density	Units	Notes
340-401-29	R-1	Low Density	0.166	6 du/ac		
340-462-13	PUD	Low Density	0.126	6 du/ac	9	Potential for lot consolidation
340-462-14	PUD	Low Density	0.113	6 du/ac		
340-462-15	PUD	Low Density	0.12	6 du/ac		
340-462-16	PUD	Low Density	1.209	6 du/ac		
341-354-08	SP	Low Density	0.083	6 du/ac	2	Potential for lot consolidation; Specific Plan 7
341-354-09	SP	Low Density	0.124	6 du/ac		
341-354-10	SP	Low Density	0.041	6 du/ac		
341-354-11	SP	Low Density	0.082	6 du/ac		
341-354-14	SP	Low Density	0.093	6 du/ac		
341-365-02	SP	Low Density	0.144	6 du/ac	1	Potential for lot consolidation; Specific Plan 7
341-365-03	SP	Low Density	0.149	6 du/ac		
346-013-02	R-1	Low Density	0.115	6 du/ac	1	Potential for lot consolidation
346-013-03	R-1	Low Density	0.125	6 du/ac		
346-172-26	R-1	Low Density	0.088	6 du/ac	1	Potential for lot consolidation
346-172-27	R-1	Low Density	0.088	6 du/ac		
346-181-02	R-1	Low Density	0.057	6 du/ac	7	Potential for lot consolidation
346-181-11	R-1	Low Density	0.094	6 du/ac		
346-181-12	R-1	Low Density	0.189	6 du/ac		
346-181-13	R-1	Low Density	0.094	6 du/ac		
346-181-14	R-1	Low Density	0.14	6 du/ac		
346-181-16	R-1	Low Density	0.096	6 du/ac		
346-181-17	R-1	Low Density	0.098	6 du/ac		
346-181-18	R-1	Low Density	0.094	6 du/ac		
346-181-19	R-1	Low Density	0.093	6 du/ac		
346-181-20	R-1	Low Density	0.135	6 du/ac		
346-181-21	R-1	Low Density	0.09	6 du/ac		
Subtotal – Above Moderate Sites					63	
Total Sites					226	

Candidate Sites for Rezoning to Accommodate the RHNA

Pursuant to AB 2348, jurisdictions with a shortfall of vacant/underutilized residential land to meet its RHNA needs must commit to a rezoning program to provide adequate sites to meet its remaining housing growth needs. The program must adhere to the following parameters:

- Sites must be re-zoned to accommodate 100 percent of the remaining RHNA need for lower-income units
- Re-zoned sites must permit rental- and owner-occupied multi-family residential uses by-right
- AB 2348 establishes “default” density standards. If a local government adopts density standards consistent with the “default” density standard (at least 30 du/ac for Placentia), the sites with those density standards are accepted as appropriate for accommodating the jurisdiction’s share of regional housing need for lower-income households
- At least 50 percent of the very-low- and low-income need shall be accommodated on sites designated for residential use and for which non-residential use or mixed-uses are not permitted



- Sites identified to meet the very-low- and low-income need must have density and development standards that permit at least 16 units per site.

The City has a remaining very-low- and low-income need of 231 dwelling units, which requires a minimum of 8 acres at 30 dwelling units per acre to accommodate this remaining need (or a total acreage with capacity for at least 231 units at a higher allowable density). Of the rezoned land, at least 50 percent of the capacity must be provided on sites that permit exclusively residential uses to accommodate the City's remaining very-low- and low-income need. Program HE-1.8 in the Housing Plan (Chapter 4) describes the specific actions the City will take to address this requirement.

Transit Oriented Development Overlay Zone

The City, through a sustainability grant provided by the Southern California Association of Governments, is preparing a transit-oriented development (TOD) zone south of the future Metrolink station. The TOD will provide for residential uses in proximity to the transit station as well as entertainment, retail and office spaces. The development regulations for the TOD area will encourage and facilitate multi-family residential development and live-work units. The location of the TOD area is shown in Exhibit B-2. The TOD zone envisions a walkable network of varied blocks, plazas, parks and streetscapes; and a reestablishment of the community's relationship with the rail corridor.

The City has identified sites within the TOD area that have the greatest potential or opportunity to provide for affordable housing, specifically along the "Crowther Corridor" and on Baker Street. These opportunity sites are the candidate sites for rezoning to permit by-right multi-family residential use at a density of at least 30 du/ac and have the capacity to accommodate the City's remaining RHNA need. Table B-4 summarizes these opportunity sites.



Table B-4– Opportunity Sites Summary

APN	Existing General Plan / Zoning	Proposed Zoning	Existing Use	Acreage	Unit Capacity at 30 du/ac
339-402-08	I/M	TOD	Vacant/Parking (City-owned)	0.26	84
339-402-10	I/M	TOD	Packing House Offices (City-owned)	0.43	
339-402-05	I/M	TOD	Packing House	2.08	
339-401-16	I/M	TOD	Packing House	3.24	97
339-401-01 to 15	I/M	TOD	Residential, Vacant, Parking, Recycling	2.81	85
339-431-06	I/M	TOD	Manufacturing	1.39	42
339-431-05	I/M	TOD	Manufacturing	1.40	42
339-431-04	I/M	TOD	Manufacturing	1.40	42
339-431-03	I/M	TOD	Manufacturing	1.52	46
339-431-02	I/M	TOD	Manufacturing	.61	19
339-431-01	I/M	TOC	Manufacturing	2.01	61
Totals				17.15	518

The first three parcels identified in Table B-4 are contiguous and are part of what is referred to as the East Packing House site. These parcels are able to be consolidated. Through the TOD, the East Packing House site will permit mixed-use including higher-density residential uses and may include public facilities and retail uses to support the future Metrolink station. While the potential capacity is 84 units at the “default density” of 30 du/ac, the City anticipates construction of up to 200 units on this site. The structure was historically used as a packing house, but the use has long been discontinued. The City purchased these parcels in 2010 with the intent of redeveloping them.

The third parcel is referred to as the West Packing House site. The City has identified this site for an adaptive reuse project. The parcel has been designed to be rezoned to permit exclusively by-right residential use at a minimum of 30 du/ac. The existing building will be converted to accommodate affordable housing units. While the potential unit capacity is 63 units at the “default density” of 30 du/ac, the City anticipates this site will yield over 100 units. The building was originally constructed as a packing house; however, the use has been discontinued. The building is currently occupied with light industrial uses, specifically dry storage. The property owner has expressed interest in discontinuing the existing uses and selling the property. Policy actions to secure partnerships are included in the Housing Element policy program (Chapter 4).

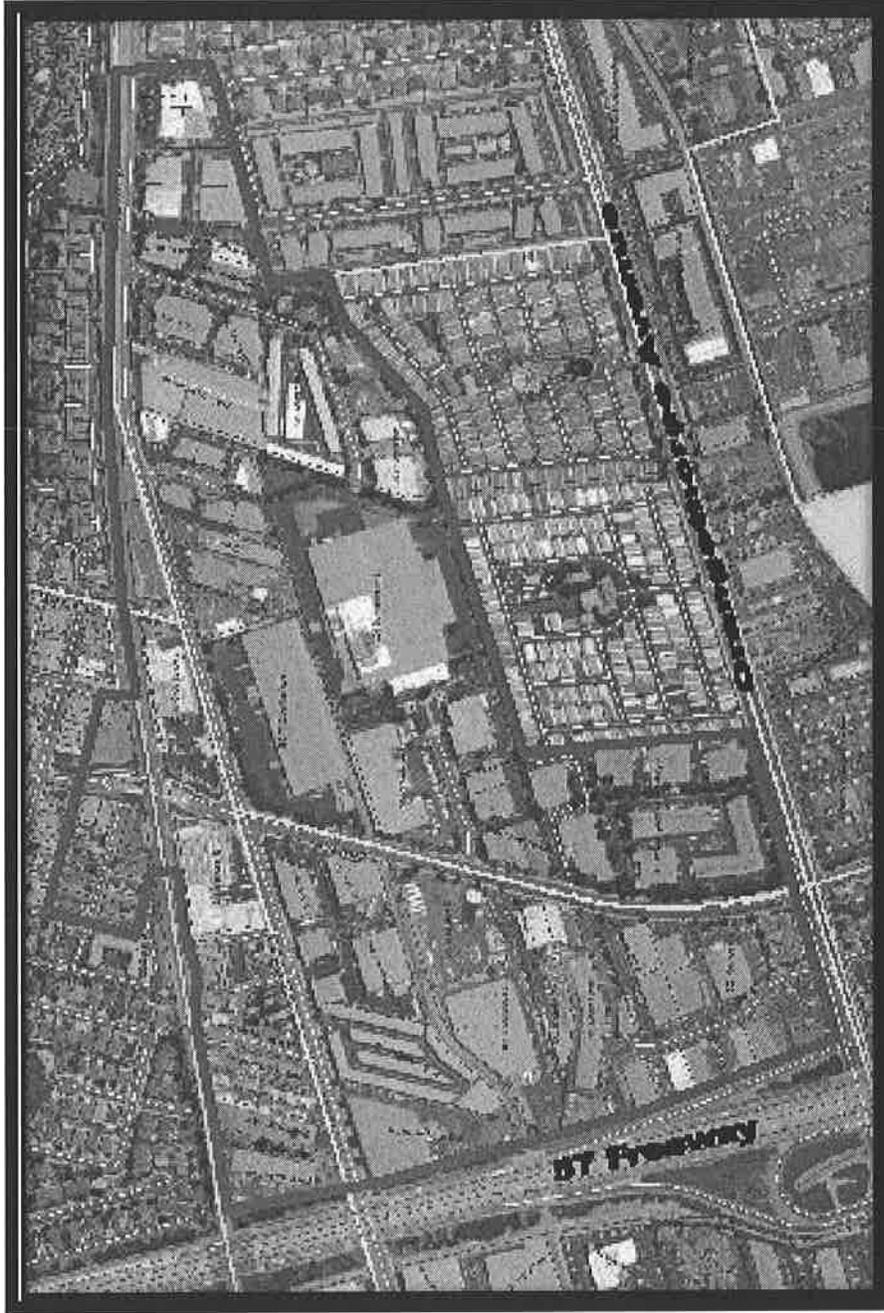
The remaining sites are what is considered the “Crowther Corridor.” These are parcels on the north side of Crowther Avenue adjacent to the rail road tracks and between Melrose Avenue and State Highway 57. These sites are deemed the most worthy of being transformed into consolidated parcels in which to develop housing and mixed-uses under the proposed TOD overlay zone (Exhibit B-1).

Appendix B: Residential Land Resources



Adequate water and wastewater capacity exists to serve the anticipated level of development in this area, and there are no environmental constraints that preclude development.

Exhibit B-1
Proposed TOD Zone Boundary





Appendix C: Review of Housing Element Performance

Section 65588(a) of the *Government Code* requires that jurisdictions evaluate the effectiveness of the existing Housing Element, the appropriateness of goals, objectives and policies, and the progress in implementing programs for the previous planning period. This appendix contains a review the housing goals, policies, and programs of the previous housing element, and evaluates the degree to which these programs have been implemented during the previous planning period, 2008 through 2013. The findings from this evaluation have been instrumental in determining the City's 2013 Housing Implementation Program.

Table A-1 summarizes the programs contained in the previous Housing Element along with the City's progress in implementation.

Table A-2 presents the City's progress in meeting the quantified objectives from the previous Housing Element.

Appendix C: Review of Housing Element Performance

Table C-1- Review of Housing Element Past Performance	
Goal/ Program/Objective	Progress in Implementation
<p>Goal HE-1: Develop and maintain an adequate supply of housing that varies sufficiently in cost, size, type, and tenure to meet the economic and social needs of existing and future residents within the constraints of available land.</p> <p>Program HE-1.1: Manufactured Housing The City of Placentia recognizes the importance of manufactured housing as a means to provide affordable housing for the City's residents. The City shall explore land use policies, regulations, and programs to facilitate and encourage manufactured housing. These policies, regulations, and programs may include, but are not limited to, flexible development standards, technical assistance and referrals to the County of Orange Mobile Home Exterior Grant Program.</p> <p>Objective & Schedule: Review policies, regulations and programs by June 2010</p> <p>Program HE-1.2: Locate Housing Near Transportation, Employment and Services To increase livability within new housing developments, the City shall encourage and coordinate the location of major housing developments, particularly affordable housing and multi-family units near transportation options, major employment centers and services. The City is currently drafting a specific plan for a transit-oriented development in Placentia-Westgate area surrounding the future Metrolink station. The specific plan will provide for residential uses in proximity to the station as well as entertainment, retail and office spaces. The development regulations for the specific plan area will encourage and facilitate multi-family residential development and live-work units. The City will also encourage housing near transportation, employment and services through Program HE-1.16: Transit-Oriented Development of this Housing Element.</p> <p>Objectives & Schedule: Proximity to transportation, employment and services; Ongoing</p>	<p>Completed review and is encouraging manufactured housing use by contacting distributors for information. Due to reduced staffing and budget, revised zoning regulations have not yet been processed.</p> <p>This continues to remain a high priority for the City. While the Metrolink station project is being completed, the City is reviewing zoning code changes to allow TOD-related land use designations, including housing of various types and densities. The 300-acre Placentia-Westgate Specific Plan was never adopted and no longer in effect, however, the transit-oriented development concept for the area is still viable and being pursued. In 2006 a high-density infill residential development was approved and built adjacent to the Metrolink station.</p> <p>This program should be continued.</p>

Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance

Goal/ Program/Objective	Progress in Implementation
<p>Program HE-1.3: Pursue County, State and Federal Housing Funds Monitor availability of county, state, and federal housing programs and pursue available funds as appropriate. The City shall encourage and coordinate with housing developers and service organizations to obtain funds for affordable housing projects, initially through pre-application meetings and throughout project development. The City shall also make funding information available to all proposed developers in the City through informational materials distributed through the City's website and at pre-application meetings.</p> <p>Objectives & Schedule: Increase use of County, State and Federal Funds; Ongoing (project based)</p>	<p>Although the elimination of the Redevelopment Agency has resulted in reduced staffing and funding, the City is continually reviewing grant funding opportunities for housing developments and is actively pursuing County/State funds for planned residential development adjacent to the Metrolink Station to the extent staff resources are available.</p> <p>This program should be continued.</p>
<p>Program HE-1.4: Emergency Shelters and Transitional and Supportive Housing</p> <ul style="list-style-type: none"> • In compliance with State Law (SB 2), the City will review and revise the existing Zoning Ordinance to allow for emergency shelters and transitional and supportive housing for families and individuals that are homeless. The City will comply with the requirements of the state in the following manner: • Provide at least one zoning category in which emergency shelters can be located without discretionary approvals. The subject zoning category(ies) shall include sites with sufficient capacity to meet the local need for emergency shelters and in any case accommodate at least one year-round shelter. The City is considering the R-3, C-M and M zones to allow emergency shelters by-right. • Ensure the provisions of the Housing Accountability Act are enforced and prohibit the denial of emergency shelter/transitional housing facility via discretionary approvals if it is consistent with adopted regulatory standards. • Evaluate development standards and regulatory provisions to ensure that standards encourage rather than discourage development of emergency shelters and Transitional Housing. • Amend the Zoning Code to allow transitional and supportive housing as a residential use, subject only to those requirements of other residential uses in the same zone. 	<p>Zoning Ordinance amendments for emergency shelters, transitional and supportive housing were adopted by the City Council in 2013.</p> <p>This program should be modified to focus on implementation of these ordinances.</p>



Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance

Goal/ Program/Objective	Progress in Implementation
<p>Objectives & Schedule: Zoning for emergency shelters, transitional and supportive housing; December 2009</p>	
<p>Program HE-1.5: Infrastructure Provision To ensure that requirements for infrastructure provision are not considered an undue constraint to residential development, the City shall review infrastructure provision costs and procedures on an annual basis. Based on its findings, the City shall work with housing developers to reduce costs and streamline infrastructure-financing programs.</p> <p>Objectives & Schedule: Reduce constraints associated with infrastructure; Annual review, revisions as appropriate</p>	<p>On an annual basis, the City reviews development costs and opportunities for removing constraints due to the high cost of infrastructure improvements. The City is near build-out condition with infrastructure mostly in place. Infrastructure near the proposed Metrolink station project is a candidate for competitive grant funding.</p> <p>This program should be continued.</p>
<p>Program HE-1.6: Development Processing System Review The City shall review existing procedures for project review, processing and building plan check to determine if the procedures are a constraint to housing development. Based on these findings, the City shall develop programs and procedures to minimize processing timelines for extremely low, very low, low and moderate-income housing developments. The City shall monitor processing timelines and modify as needed to further encourage affordable housing development.</p> <p>Objectives & Schedule: Minimize development review/processing time; Ongoing, Annual Review</p>	<p>On an annual basis, the City reviews its development processing procedures and has adopted several streamlined procedures in the last three years. These changes include removing the development of a single residence from requiring discretionary approval and providing for greater staff-level decision making for development requirements.</p> <p>This program should be continued.</p>
<p>Program HE-1.7: Vacant and Underutilized Land Inventory To provide additional areas for housing development and maximize the potential for a variety of housing types, the City will identify vacant and underutilized sites for development of residential units. Additionally, the City will maintain and update an inventory of these sites on an annual basis. The City will provide information about these sites to housing developers through printed materials available at City Hall and electronically on the City's website.</p> <p>Objectives & Schedule: Inventory of vacant and underutilized land; Annual update of inventory</p>	<p>The inventory of vacant and underutilized land is available on the City website, and staff routinely discusses these parcels with developers.</p> <p>This program should be continued.</p>



Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance

Goal/ Program/Objective	Progress in Implementation
<p>Program HE-1.8: Adequate Sites For Housing Development The City has a remaining lower-income growth need of 38 dwelling units. To ensure the availability of adequate sites to accommodate the projected construction need by income category for the 2006-2014 planning period, the City shall develop and adopt a specific plan for the Placentia-Westgate area. As part of the Specific Plan, the City shall rezone a minimum of 1.27 acres to permit by-right multi-family, rental and ownership residential development at a minimum net density of 30 du/ac. Of the rezoned land, a minimum of 0.63 acres shall permit exclusively by-right residential uses to accommodate at least 50 percent of the City's lower-income growth need. The lower-income growth need shall be accommodated on sites with densities and development standards that permit a minimum of 16 units per site.</p> <p>The City has identified the opportunity sites to accommodate the remaining lower-income need in Table B-6 of this Housing Element. The City shall encourage the development of housing on the opportunity sites through incentives such as financial incentives, land write-downs; assistance with on- or off-site infrastructure costs; expedited entitlement review; fee reductions, fee deferrals or concessions; in-kind technical assistance; and other regulatory concessions or incentives. The City will also provide incentives for lot consolidation (see Program HE 1.19).</p> <p>Objectives & Schedule: Rezone a minimum of 1.27 acres to permit residential development at a minimum density of 30 du/ac by December 2009.</p> <p>Program HE-1.9: Monitoring of Constructed Units Based on Income-Level To effectively track performance during the planning period, the City will track the income levels of units constructed by including an estimate sales/rental value at the time of unit occupancy. This value will be included as part of the building permit application to reflect the assumed market value of the home constructed.</p> <p>Objectives & Schedule: Tracking performance by income level; ongoing.</p>	<p>Due to staffing and budget limitations, the City suspended the completion of the Placentia Westgate Specific Plan in order to focus on the comprehensive update of the General Plan. This program will be continued as part of the 2013-2021 Housing Element.</p>
<p>Objectives & Schedule: Rezone a minimum of 1.27 acres to permit residential development at a minimum density of 30 du/ac by December 2009.</p> <p>Program HE-1.9: Monitoring of Constructed Units Based on Income-Level To effectively track performance during the planning period, the City will track the income levels of units constructed by including an estimate sales/rental value at the time of unit occupancy. This value will be included as part of the building permit application to reflect the assumed market value of the home constructed.</p> <p>Objectives & Schedule: Tracking performance by income level; ongoing.</p>	<p>This program has been completed. Forms have been developed to record affordability information at the time building permits are issued.</p> <p>This program should be continued.</p>

Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance	
Goal/ Program/Objective	Progress in Implementation
<p>Program HE-1.10: Encourage Development of Housing for Extremely Low-Income Households The City will encourage the development of housing units for households earning 30 percent or less of the Median Family Income for Orange County. The City shall work with non-profit developers and service providers with the specific emphasis on providing family housing and non-traditional housing types such as single-resident occupancy units, transitional housing and units serving temporary needs by providing in-kind technical assistance and support in seeking funding. The City shall encourage housing for extremely-low income households through incentives and activities such as technical assistance, expedited processing and flexibility in development standards.</p> <p>Objectives & Schedule: Develop incentive program by June 2010; 11 Extremely Low Income Units by 2014.</p>	<p>Although the City has increased its contacts with non-profit developers regarding affordable housing opportunities, no ELI units were produced during the planning period. The elimination of redevelopment set-aside funds has severely restricted this effort.</p> <p>This program should be continued.</p>
<p>Program HE-1.11: Amend the Density Bonus Ordinance The City of Placentia currently provides for a density bonus, incentives and concessions to facilitate and encourage the development of lower-income housing units through its Density Bonus Ordinance. To further the effectiveness of the City's Density Bonus Ordinance and to be in compliance with the requirements of SB1818, AB2280 and state and Federal Fair Housing Law, the City shall review and revise the existing ordinance. The City will inform housing developers of the Density Bonus Ordinance through informational materials distributed at City Hall, on the City's website and during pre-application meetings.</p> <p>Objectives & Schedule: Review and Revise Density Bonus Ordinance by December 2009.</p>	<p>Due to staffing limitations the Density Bonus Ordinance amendment has not yet been completed. This program will be carried forward in the new planning period.</p>



Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance

Goal/ Program/Objective	Progress in Implementation
<p>Program HE-1.12: Development of Senior Housing The City recognizes the unique character of the senior population. Seniors typically have specialized housing needs and fixed incomes that may require housing units not generally included in market rate housing. The City shall encourage the development of a wide range of housing choices for seniors through incentives (e.g. financial assistance, parking reductions, regulatory waivers, etc.). These may include independent living communities and assisted living facilities with on-site services and access to health care, nutrition, transportation and other appropriate services.</p> <p>Objectives & Schedule: Senior Housing Development; ongoing.</p>	<p>The City has continued to offer incentives for senior housing. This program should be continued.</p>
<p>Program HE-1.13: Development of Housing for Larger Families The City recognizes that providing appropriately sized housing units for families is important to improving livability, reducing instances of overcrowding and minimizing deferred maintenance issues. The City shall encourage incorporation of larger bedroom counts in for-sale and rental housing developments to accommodate the needs of larger families through activities such as technical assistance, expedited processing and flexibility in development standards.</p> <p>Objectives & Schedule: Housing units with larger bedroom counts; Develop incentive program by June 2010.</p>	<p>The City has worked with potential affordable housing developers, although a potential development did not go through due to the lack of funding availability. Additionally, the elimination of redevelopment set-aside funds has severely restricted this effort.</p> <p>The City should continue to encourage large family units to the extent feasible.</p>
<p>Program HE-1.14: Housing for Persons with Special Needs The City understands the need for housing to accommodate persons and families with special needs. The City shall work with non-profit housing developers, service providers and the County of Orange to encourage and support the development of housing for special needs households through activities such as technical assistance, assistance in seeking funding, expedited processing and flexibility in development standards.</p> <p>Objectives & Schedule: Housing units for households with special needs; Develop incentive program by June 2010.</p>	<p>The City had identified a potential parcel for special needs housing, however, the parcel was acquired by another owner and the project was not pursued. Additionally, the elimination of redevelopment set-aside funds has severely restricted this effort.</p> <p>The City should continue to encourage large family units to the extent feasible.</p>



Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance	
Goal/ Program/Objective	Progress in Implementation
<p>Program HE-1.15: Redevelopment Agency Housing Set-Aside Fund The Redevelopment Agency is required by State Law to allocate 20 percent of the gross tax increment revenues to provide for affordable housing projects. The Agency shall continue its obligation of providing 20 percent of the tax increment to the Housing Set-Aside Fund for extremely low, very low, low and moderate-income housing projects. Use of the Housing Set-Aside Fund outlined in the Redevelopment Agency's Implementation Plan is described in Chapter 3: Resources and Constraints of this Housing Element.</p> <p>Objectives & Schedule: 20% of tax increment for Housing Set-Aside; Ongoing.</p>	<p>Redevelopment agencies were eliminated in 2012 by the State Legislature. This program will not be continued.</p>
<p>Program HE-1.16: Transit-Oriented Development A Transit-Oriented Development is a compact mixed-use or commercial area designed to maximize access to public transport, and often incorporates features to encourage transit ridership. To encourage recent federal, state and regional policies focusing on concentrated growth around transit, the City shall solicit proposals for transit-oriented developments and consider partnerships with local jurisdictions, other transit and regional agencies, and the private sector to implement development plans. The City shall encourage Transit-Oriented Developments through incentives that may include financial assistance, density bonus, regulatory waivers, etc.</p> <p>Objectives & Schedule: Encourage Transit-Oriented Development; December 2009.</p>	<p>The City continues to work with developers on TOD opportunities connected with the Metrolink Station. Incentives include the utilization of City-owned property, as well as the development of an overlay zone for the area surrounding the station, which will encourage development of TOD.</p> <p>This program should be continued.</p>
<p>Program HE-1.17: Single-Room Occupancy Units (SROs) Single-room occupancy units (SROs) provide housing opportunities for lower-income individuals, persons with disabilities, and the elderly. State law requires that jurisdictions identify zoning districts available to encourage and facilitate a variety of housing types, including SRO's. Currently, SROs are not defined nor addressed in the City's Zoning Code. The City shall amend the Zoning Code to explicitly define and establish regulatory standards for single-room occupancy units.</p> <p>Objectives & Schedule: Amend Zoning Code to include SROs by December 2009.</p>	<p>The City amended its Zoning Code in 2013 to provide regulations for SROs. This program should be revised accordingly.</p>



Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance	
Goal/ Program/Objective	Progress in Implementation
<p>Program HE-1.18: Review and Revise Residential Parking Requirements To ensure the City's parking requirements are not a constraint to residential development, especially new housing units affordable to lower- and moderate-income households, the City shall review existing adopted parking standards to identify potential constraints. Based upon this review, the City will revise current standards, as appropriate.</p> <p>Objectives & Schedule: Review/Revise Residential Parking Requirements by December 2009.</p>	<p>This program has not been implemented due to the slowdown in the real estate market, staffing reductions. The City will review residential parking requirements as part of the General Plan and Zoning Code updates. Parking requirements for overlay zones and TOD-designated locations will be consistent with the anticipated parking demand in such developments.</p>
<p>Program HE-1.19: Encourage and Facilitate Lot Consolidation The City will encourage and facilitate consolidation of vacant and underutilized lots for residential development to provide the opportunity to develop these lots. The City will encourage and facilitate lot consolidation through a variety of incentives such as financial incentive, land write-downs, assistance with on- or off-site infrastructures costs, and other pre-development costs association with the assemblage of multiple parcels. The City will develop an incentive program and provide information to developers and other interested parties through printed materials available at City Hall and electronically on the City's website.</p> <p>Objectives & Schedule: Encourage/facilitate lot consolidation; Develop incentive program by January 2010.</p>	<p>This program will be revised and accomplished through the General Plan and Zoning Code updates.</p>
<p>Goal HE-2: Promote equal housing opportunities for all persons without discrimination regardless of race, religion, ethnicity, sex, age, disability, marital status or household composition.</p>	
<p>Program HE-2.1: Support of Regional Fair Housing Efforts The City will continue to contract with and refer fair housing inquiries to the Fair Housing Council of Orange County. The organization provides community education, individual counseling, mediation, and low-cost advocacy with the expressed goal of eliminating housing discrimination and guaranteeing the rights of all people to freely choose the housing for which they qualify in the area they desire.</p> <p>Objectives & Schedule: Fair Housing activities; Ongoing.</p>	<p>The City continues to support the Fair Housing Council of Orange County and to refer members of the community to FHCO for counseling, mediation and low-cost advocacy for housing-related needs.</p> <p>This program should be continued.</p>



Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance	
Goal/ Program/Objective	Progress in Implementation
<p>Program HE-2.2: Section 8 Rental Assistance The City will continue to provide referral services and information to residents regarding the Section 8 Rental Housing Assistance Program administered by the Orange County Housing Authority. Objectives & Schedule: 167 vouchers; Ongoing.</p>	<p>The City continues to partner with the Orange County Housing Authority. Currently, 205 vouchers are allocated to residents with the City of Placentia. This program should be continued.</p>
<p>Program HE-2.3: Reasonable Accommodation Procedures In compliance with SB 520, the City will analyze existing land use controls, building codes, and permit and processing procedures to determine constraints they impose on the development, maintenance, and improvement of housing for persons with disabilities. The City will develop a policy and procedures for reasonable accommodation, separate from a variance or CUP, to provide relief from local regulations and permitting procedures that may have a discriminatory effect on housing for persons with disabilities. Objectives & Schedule: Adopt reasonable accommodation procedures; December 2009.</p>	<p>A Reasonable Accommodation ordinance was adopted in 2013. Implementation of the ordinance should be continued.</p>
<p>Program HE-2.4: Comprehensive Housing Resource Directory The City of Placentia will develop a comprehensive housing resource directory to assist residents in locating affordable housing. The City will coordinate with the County of Orange and update the directory on an annual basis. The Comprehensive Housing Resource Directory will be available on the City's website and in print form at City Hall, the library and other public buildings. Objectives & Schedule: Develop directory by June 2010; Annual updates.</p>	<p>This program was implemented. The City works with the Orange County Community Resources Department to provide information and direct residents to their online housing resource area for information. Ongoing implementation of this program should be continued.</p>



Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance

Goal/ Program/Objective	Progress in Implementation
<p>Goal HE-3: Encourage activities that conserve and improve existing residential neighborhoods including a housing stock that is well maintained and structurally sound, and with adequate services and facilities provided; and having a sense of community identity.</p> <p>Program HE-3.1: Community Based Neighborhood Rehabilitation Encourage neighborhood rehabilitation programs that maximize community participation in the maintenance and improvement of housing in individual neighborhoods. The City will coordinate with and assist neighborhood and non-profit organizations in implementing programs such as “Neighborhood Pride Days” where the City will collect electronic waste and bulk waste from residents, promote neighborhood cleanup and beautification especially in low-income areas.</p> <p>Objectives & Schedule: Conserve and Improve Existing Residential Neighborhoods; Ongoing.</p> <p>Program HE-3.2: Neighborhood Identity Encourage the creation of neighborhood themes and identity in all types of residential developments by use of building material, texture, color and landscaping linked with architectural styles.</p> <p>Objectives & Schedule: Create a Neighborhood Identity; Ongoing.</p> <p>Program HE-3.3: Placentia Rehabilitation Grant Program The City of Placentia shall continue to provide grants to rehabilitate owner-occupied, very low-income housing units. The City shall outreach to potential applicants through the City’s website and print material.</p> <p>Objectives & Schedule: 72 units by 2014.</p> <p>Program HE-3.4: Acquisition and Rehabilitation In order to prevent deteriorating of neighborhoods and increase the affordable housing stock, the City’s Redevelopment Agency shall partner with non-profit housing developers to acquire and rehabilitate housing units. These units will be sold or rented to lower-income households.</p> <p>Objectives & Schedule: 18 units by 2014.</p>	<p>This program is ongoing. The City created a Neighborhood Services Division in order to foster increased neighborhood services to include the coordination of CDBG-funded rehabilitation. The division manager is responsible for the rehabilitation program and is working with specific neighborhoods on community-centered programs.</p> <p>Ongoing implementation of this program should be continued.</p> <p>The City routinely works with developers of new neighborhoods to foster project design that supports community identity.</p> <p>This program should be continued due to budget limitations.</p> <p>This program is ongoing. The City is very successful in implementing the CDBG rehabilitation program and recently begun working with “Paint Your Heart Out” in order to increase participation. The City is on track to exceed the identified number of units rehabilitated.</p> <p>This program should be continued.</p> <p>With the state’s elimination of redevelopment agencies, this program is no longer feasible and should not be continued.</p>



Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance

Goal/ Program/Objective	Progress in Implementation
<p>Program HE-3.5: Energy Conservation The City recognizes that utility costs contribute to a household's overall expenditure for housing. The City shall promote energy and water conservation in new and existing residential developments by providing educational materials on the City's website and in print form at City Hall, the library and at other public buildings. Compliance with Title 24 of the California Building Code will be required of all residential construction necessitating a building permit. The City shall also refer residents to local utility providers for energy and water conservation programs through the City's website.</p> <p>Objectives & Schedule: Energy conservation/ reduced utility costs; Provide energy conservation educational materials by December 2009.</p> <p>Program HE-3.6: Sustainable Building Practices The City understands that sustainable or "green building" practices can lead to the conservation of energy and natural resources. To encourage "green building" practices in new and existing housing development, the City shall explore the feasibility of education and incentive programs.</p> <p>Objectives & Schedule: Encourage Green Building Practices; Investigate potential programs by December 2010.</p> <p>Program HE-3.7: Monitoring At-Risk Units The City shall regularly monitor the units in the City with affordability covenants that will expire during the planning period. To encourage the preservation of these "at-risk" units, the city shall provide for targeted outreach to the owners of these units to encourage the extension and/or renewal of deed restrictions or covenants. The City shall develop a preservation strategy that is ready for implementation should owners of these units choose not to extend affordability. The preservation strategy shall identify non-profit agencies that the City can partner with to preserve the units and available funding sources. As part of this strategy, the City shall ensure compliance with noticing requirements and conduct tenant education.</p> <p>Objectives & Schedule:</p>	<p>This program is ongoing. The City has utilized federal Energy and Efficiency & Conservation Block Grants to provide material and energy-efficient products to residents in order to promote energy efficiency. Additionally, the City adopted the new 2010 codes and the City Council has authorized the incentivization of increased compliance with Title 24 through building permit fee reduction.</p> <p>This program should be continued.</p>
<p>This program is ongoing. The City has reviewed Green Building best practices and adopted the 2010 Green Building Code. As more information is made available, the City will make it available on its website and Development Services counter for the public.</p> <p>This program should be continued but consolidated with Program 3.5 (Energy Conservation).</p>	<p>This program has been delayed due to fiscal and staffing constraints and the loss of redevelopment funding. The City will cooperate with the County of Orange Community Resources Department and non-profit housing organizations to target at-risk projects and seek assistance in preserving at-risk units.</p> <p>This program should be continued.</p>



Appendix C: Review of Housing Element Performance

Table C-1– Review of Housing Element Past Performance

Goal/ Program/Objective	Progress in Implementation
<p>Encourage the Preservation and Extension/Renewal of “At-Risk” Units; Ongoing monitoring and outreach; Develop preservation strategy by December 2010</p>	
<p>Program HE-3.8: Vacant Building Ordinance To prevent blight and deterioration of Placentia’s residential and non-residential neighborhoods, the City recently approved an ordinance establishing owner responsibilities for the maintenance and rehabilitation of long-term vacant buildings. The ordinance requires the registration of vacant properties resulting from foreclosure, and provides for an administrative monitoring program for boarded-up and vacant buildings. To ensure compliance, the ordinance imposes fees and civil penalties; and provides for administrative review and appeal opportunities. The City will continue to implement this ordinance to prevent blight and deterioration in Placentia’s neighborhoods.</p> <p>Objectives & Schedule: Prevent Blight and Deterioration in Neighborhoods; Ongoing.</p>	<p>The City continues to enforce the Vacant Building Ordinance through its Code Enforcement and Planning Divisions. This program should be continued.</p>
<p>Goal HE-4: Coordinate local housing efforts with appropriate federal, state, regional, and local governments and/or agencies and to cooperate in the implementation of intergovernmental housing programs to ensure maximum effectiveness in solving local and regional housing problems.</p>	
<p>Program HE-4.1: Partnerships with Housing Industry The City of Placentia has limited resources to use for the development and maintenance of affordable housing. In order to maximize its funding and staff resources, the City shall seek opportunities to partner with non-profit and for-profit housing developers. Specifically, the City shall proactive seek partnerships to develop affordable housing on identified sites within the Placentia-Westgate Specific Plan area to meet the City’s remaining lower-income housing growth need. The City shall contribute to the partnership through activities such as in-kind technical assistance, support in seeking grant and funding opportunities, and financial assistance, which may include land write-downs and assistance with on- or off-site infrastructure costs.</p> <p>Objectives & Schedule: Establish Partnerships with Non-Profit and For-Profit Housing Developers; Ongoing.</p>	<p>This program is ongoing. The City began to establish and continues to do so, relationships with non-profit and for-profit housing partners. Additionally, the City is maintaining an updated interest list for housing industry partners for future development projects.</p> <p>This program should be continued.</p>



Appendix C: Review of Housing Element Performance

Table C-1 – Review of Housing Element Past Performance

Goal/ Program/Objective	Progress in Implementation
<p>Program HE-4.2: Participation in Continuum of Care Forum The City recognizes that homelessness is both a local and regional issue that requires a comprehensive and coordinated effort amongst various cities and agencies throughout the region. The City of Placencia will continue to participate in the County of Orange Continuum of Care Forum to pool resources to address homeless needs. Objectives & Schedule: Continue Participation in the County of Orange Continuum of Care Forum; Ongoing.</p>	<p>This program is ongoing. The City continues to participate with the County of Orange Continuum of Care Forum and has actively responded to the needs of the City in providing letters of support and other request material in support of funding applications to the federal government. This program should be continued.</p>



Appendix C: Review of Housing Element Performance

Table C-2 – Progress in Achieving Housing Element Quantified Objectives, 2008-2012		
Program	Quantified Objective	Level of Achievement
New Construction		
Extremely Low	11	-
Very Low	21	-
Low	17	-
Moderate	19	134
Above-moderate	41	212
TOTAL	98	346
Rehabilitation		
Acquisition/Rehabilitation		-
Extremely Low	6	-
Very Low	6	-
Low	6	-
TOTAL	18	-
Placentia Rehabilitation Grant Program		
Very Low	72	-
Preservation/Conservation		
At-Risk Units	113	113
	Imperial Villas- 58 Moderate, Villa La Jolla- 55 Low	
Section 8 Certificates	167	211
TOTAL	113	211



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Appendix D: Glossary

Above Moderate-Income Household. A household with an annual income greater than 120% of the Area Median Income (AMI) adjusted by household size, as determined by the U.S. Department of Housing and Urban Development (HUD) or the California Department of Housing and Community Development.

Apartment. An apartment is one or more rooms in an apartment house or dwelling occupied or intended or designated for occupancy by one family for sleeping or living purposes and containing one kitchen.

Assisted Housing. Generally multi-family rental housing, but sometimes single-family ownership units, whose construction, financing, sales prices, or rents have been subsidized by federal, state, or local housing programs.

Below-market-rate (BMR). Any housing unit specifically priced to be sold or rented to Low- or Moderate-Income households for an amount less than the fair-market value of the unit. Both the State of California and the U.S. Department of Housing and Urban Development set standards for determining which households qualify as "Low-Income" or "Moderate-Income." May also refer to the financing of housing at less than prevailing interest rates.

Build-out. That level of urban development characterized by full occupancy of all developable sites in accordance with the General Plan; the maximum level of development envisioned by the General Plan.

Community Development Block Grant (CDBG). A grant program administered by the U.S. Department of Housing and Urban Development (HUD) on a formula basis for entitlement communities and by counties or the California Department of Housing and Community Development (HCD) for non-entitled jurisdictions. This grant allots money to cities and counties for housing rehabilitation and community development, including public facilities and economic development.

Condominium. A type of ownership in which the interior space is individually owned and the balance of the property (both land and building) is owned in common by the owners of the individual units. (See "Townhouse.")

Covenants, Conditions, and Restrictions (CC&Rs). A term used to describe private restrictive limitations that may be placed on property and its use, and which usually are made a condition of holding title or lease.

Density Bonus. The allocation of development rights that allow a parcel to accommodate additional square footage or residential units beyond the maximum for which the parcel is zoned, usually in exchange for the provision of affordable housing at the same site or at another location.

Density, Residential. The number of residential dwelling units per acre of land. Densities specified in the General Plan may be expressed in units per gross acre or per net developable acre.



Developable Land. Land that is suitable as a location for structures.

Down Payment. Money paid by a buyer from his own funds, as opposed to that portion of the purchase price that is financed.

Duplex. A detached building under single ownership that is designed for occupation as the residence of two families living independently of each other.

Dwelling Unit (du). A building or portion of a building containing one or more rooms, designed for or used by one family for living or sleeping purposes, and having a separate bathroom and only one kitchen or kitchenette. See Housing Unit.

Elderly Housing. Typically small apartments or condominiums designed to meet the needs of persons 62 years of age and older or, if more than 150 units, persons 55 years of age and older, and restricted to occupancy by them.

Emergency Shelter. Temporary housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. [*California Health and Safety Code §50801(e)*]

Extremely Low-Income Household. A household with an annual income equal to or less than 30% of the area median income adjusted by household size, as determined by the U.S. Department of Housing and Urban Development (HUD) or the California Department of Housing and Community Development.

Fair Market Rent. The rent, including utility allowances, determined by the United States Department of Housing and Urban Development (HUD) for purposes of administering the Section 8 Program.

Family. (1) Two or more persons related by birth, marriage, or adoption [U.S. Bureau of the Census]. (2) An individual or a group of persons living together who constitute a bona fide single housekeeping unit in a dwelling unit, not including a fraternity, sorority, club, or other group of persons occupying a hotel, lodging house or institution of any kind.

General Plan. A comprehensive, long-term plan mandated by State Planning Law for the physical development of a city or county and any land outside its boundaries which, in its judgment, bears relation to its planning. The plan shall include seven required elements: land use, circulation, open space, conservation, housing, safety, and noise. The plan must include a statement of development policies and a diagram or diagrams illustrating the policies.

Goal. A general, overall, and ultimate purpose, aim, or end toward which the City will direct effort.

Green Building. Green or sustainable building is the practice of creating healthier and more resource-efficient models of construction, renovation, operation, maintenance, and demolition. (US Environmental Protection Agency)



Historic Preservation. The preservation of historically significant structures and neighborhoods until such time as, and in order to facilitate, restoration and rehabilitation of the building(s) to a former condition.

Historic Property. A historic property is a structure or site that has significant historic, architectural, or cultural value.

Household. All those persons—related or unrelated—who occupy a single housing unit. (See “Family.”)

Housing and Community Development Department (HCD). The state agency that has principal responsibility for assessing, planning for, and assisting communities to meet the needs of Low-and Moderate-Income households.

Housing Element. One of the seven state-mandated elements of a local general plan. It assesses the existing and projected housing needs of all economic segments of the community, identifies potential sites adequate to provide the amount and kind of housing needed, and contains adopted goals, policies, and implementation programs for the preservation, improvement, and development of housing.

Housing Payment. For ownership housing, this is defined as the mortgage payment, property taxes, insurance and utilities. For rental housing this is defined as rent and utilities.

Housing Unit. The place of permanent or customary abode of a person or family. A housing unit may be a single-family dwelling, a multi-family dwelling, a condominium, a modular home, a mobile home, a cooperative, or any other residential unit considered real property under state law.

Housing and Urban Development, U.S. Department of (HUD). A cabinet-level department of the Federal government that administers housing and community development programs.

Implementing Policies. The City’s statements of its commitments to consistent actions.

Implementation. Actions, procedures, programs, or techniques that carry out policies.

Infill Development. The development of new housing or other buildings on scattered vacant lots in a built-up area or on new building parcels created by permitted lot splits.

Jobs-Housing Balance. The existing or projected ratio of employment to housing units within a geographic area.

Land Use Classification. A system for classifying and designating the allowable use of properties.

Live-Work Units. Buildings or spaces within buildings that are used jointly for commercial and residential purposes where the residential use of the space is secondary or accessory to the primary use as a place of work.



Low-Income Household. A household with an annual income usually no greater than 51%-80% of the area median income adjusted by household size, as determined by the U.S. Department of Housing and Urban Development (HUD) or the California Department of Housing and Community Development.

Low-Income Housing Tax Credits. Tax reductions provided by the Federal and state governments for investors in low-income housing.

Manufactured Housing. Residential structures that are constructed entirely in the factory, and which since June 15, 1976, have been regulated by the Federal Manufactured Home Construction and Safety Standards Act of 1974 under the administration of the U. S. Department of Housing and Urban Development (HUD). (See "Mobile Home" and "Modular Unit.")

Mixed-use. Properties on which various uses, such as office, commercial, institutional, and residential, are combined in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design. A "single site" may include contiguous properties.

Moderate-Income Household. A household with an annual income usually no greater than 81%-120% of the area median income adjusted by household size, as determined by the U.S. Department of Housing and Urban Development (HUD) or the California Department of Housing and Community Development.

Monthly Housing Expense. Total principal, interest, taxes, and insurance paid by the borrower, or total rent and utilities paid by a tenant on a monthly basis. Used with gross income to determine affordability.

Multiple Family Building. A building designed and used exclusively as a dwelling by two or more households occupying separate suites.

Ordinance. A law or regulation set forth and adopted by a governmental authority, usually a city or county.

Overcrowded Housing Unit. A housing unit in which the members of the household or group are prevented from the enjoyment of privacy because of small room size and housing size. The U.S. Bureau of Census defines an overcrowded housing unit as one that is occupied by more than one person per room.

Parcel. A lot or tract of land.

Persons with Disabilities. Persons determined to have a physical impairment or mental disorder expected to be of long or indefinite duration. Many such impairments or disorders are of such a nature that a person's ability to live independently can be improved by appropriate housing conditions.

Planning Area. The area directly addressed by the general plan. A city's planning area typically encompasses the city limits and potentially annexable land within its sphere of influence.



Policy. A specific statement of principle or of guiding actions that implies clear commitment but is not mandatory. A general direction that a governmental agency sets to follow, in order to meet its objectives before undertaking an action program.

Poverty Level. As used by the U.S. Census, families and unrelated individuals are classified as being above or below the poverty level based on a poverty index that provides a range of income cutoffs or "poverty thresholds" varying by size of family, number of children, and age of householder. The income cutoffs are updated each year to reflect the change in the Consumer Price Index.

Program. An action, activity, or strategy carried out in response to adopted policy to achieve a specific goal or objective. Policies and programs establish the "who," "how" and "when" for carrying out the "what" and "where" of goals and objectives.

Redevelop. To demolish existing buildings; or to increase the overall floor area existing on a property; or both; irrespective of whether a change occurs in land use.

Regional. Pertaining to activities or economies at a scale greater than that of a single jurisdiction, and affecting a broad geographic area.

Regional Housing Needs Assessment. A quantification of existing and projected housing need, by household income group, for localities within a region.

Rehabilitation. The repair, preservation, and/or improvement of substandard housing.

Residential. Land designated in the General Plan and zoning ordinance for building consisting of dwelling units. May be improved, vacant, or unimproved. (See "Dwelling Unit.")

Residential Care Facility. A facility that provides 24-hour care and supervision to its residents.

Residential, Multiple Family. Two or more dwelling units on a single site, under common ownership.

Residential, Single-Family. A single dwelling unit on a building site.

Retrofit. To add materials and/or devices to an existing building or system to improve its operation, safety, or efficiency. Buildings have been retrofitted to use solar energy and to strengthen their ability to withstand earthquakes, for example.

Rezoning. An amendment to the map to effect a change in the nature, density, or intensity of uses allowed in a zoning district and/or on a designated parcel or land area.

Second Unit. A self-contained living unit, either attached to or detached from, and in addition to, the primary residential unit on a single lot. "Granny Flat" is one type of second unit.

Section 8 Rental Assistance Program. A Federal (HUD) rent-subsidy program that is one of the main sources of Federal housing assistance for low-income households. The

program operates by providing housing assistance payments to owners, developers, and public housing agencies to make up the difference between the “Fair Market Rent” of a unit (set by HUD) and the household’s contribution toward the rent, which is calculated at 30% of the household’s adjusted gross monthly income (GMI).

Shared Living. The occupancy of a dwelling unit by persons of more than one family in order to reduce housing expenses and provide social contact, mutual support, and assistance. Shared living facilities serving six or fewer persons are permitted in all residential districts by §1566.3 of the California Health and Safety Code.

Single-family Dwelling, Attached. A dwelling unit occupied or intended for occupancy by only one household that is structurally connected with at least one other such dwelling unit. (See “Townhouse.”)

Single-family Dwelling, Detached. A dwelling unit occupied or intended for occupancy by only one household that is structurally independent from any other such dwelling unit or structure intended for residential or other use. (See “Family.”)

Single Room Occupancy (SRO). A single room, typically 80 to 250 square feet, with a sink and closet, but which may require the occupant to share a communal bathroom, shower, and kitchen.

Subsidize. To assist by payment of a sum of money or by the granting to terms or favors that reduces the need for monetary expenditures. Housing subsidies may take the form of mortgage interest deductions or tax credits from Federal and/or state income taxes, sale or lease at less than market value of land to be used for the construction of housing, payments to supplement a minimum affordable rent, and the like.

Substandard Housing. Residential dwellings that, because of their physical condition, do not provide safe and sanitary housing.

Supportive Housing. Housing with no limit on length of stay, that is occupied by the target population as defined in *California Health and Safety Code* §3260(d), and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. “Target population” means adults with low incomes having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people. [*California Health and Safety Code* §50675.14(b) and §53260(d)]

Target Areas. Specifically designated sections of the community where loans and grants are made to bring about a specific outcome, such as the rehabilitation of housing affordable by very-low- and low-income households.



Tenure. A housing unit is “owned” if the owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for. All other occupied units are classified as “rented,” including units rented for cash rent and those occupied without payment of cash rent.

Townhouse. A townhouse is a dwelling unit located in a group of three (3) or more attached dwelling units with no dwelling unit located above or below another and with each dwelling unit having its own exterior entrance.

Transitional Housing. Shelter provide to the homeless for an extend period, often as long as 18 months, and generally integrated with other social services and counseling programs to assist in the transition to self-sufficiency through the acquisition of a stable income and permanent housing. (See “Emergency Shelter”) Buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. [*California Health and Safety Code §50675.2(h)*]

Very-Low-Income Household. A household with an annual income usually no greater than 50% of the area median income adjusted by household size, as determined by the U.S. Department of Housing and Urban Development (HUD) or the California Department of Housing and Community Development.



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RESOLUTION NO. R-2014-

**A RESOLUTION OF THE PLACENTIA CITY COUNCIL
ADOPTING THE 2013-2021 HOUSING ELEMENT
(GENERAL PLAN AMENDMENT NO. 2013-01)**

A. Recitals.

(i). The State Housing Element law (Article 10.6 of the California Government Code, § 65580 et. seq.) requires local jurisdictions to prepare and update a five (5) year Housing Element as part of the General Plan to identify existing and projected housing needs and establish goals, policies, and programs for the construction, preservation, and improvement of housing.

(ii). Jurisdictions such as the City of Placentia ("City") that are within the Southern California Association of Governments region are required to update their Housing Elements for the 5th planning cycle, which covers the 2013-2021 period.

(iii). On September 24, 2013, the Placentia Planning Commission conducted a duly noticed public hearing regarding the Draft 2013-2021 Housing Element, and adopted a resolution recommending its approval to the City Council.

(iv). On September 27, 2013, the City submitted the Draft 2013-2021 Housing Element for review to the California Department of Housing and Community Development ("HCD") pursuant to California Government Code § 65585(b).

(v). On November 22, 2013 HCD issued a letter finding that the Draft 2013-2021 Housing Element addresses the requirements of the state housing element law and will comply with the requirements of the California Government Code once adopted and submitted to HCD for review.

(vi). In accordance with California Government Code § 65585, the City Council has considered the findings of HCD.

(vii). On January 7, 2014, the City Council, in accordance with California Government Code § 65355, conducted a duly noticed public hearing regarding the Draft 2013-2021 Housing Element and has considered all evidence, oral and written

(viii). Pursuant to the requirements of the California Environmental Quality Act ("CEQA"), California Public Resources

Code § 21000, et seq., the State CEQA Guidelines, 14 California Code of Regulations § 15000 et seq., and the Environmental Impact Report ("EIR") Guidelines of the City of Placentia, an Addendum to the Initial Study/Mitigated Negative Declaration ("IS/MND") adopted in connection with the City of Placentia's 2008-2014 Housing Element update was prepared. Based on substantial evidence, the Addendum concluded that only minor changes to the previous IS/MND are needed for the 2013-2021 Housing Element and none of the conditions described in § 15162 of the CEQA Guidelines require the preparation of a subsequent Negative Declaration or EIR. The City Council finds that the Addendum reflects its independent judgment and satisfies the requirements of CEQA for the 2013-2021 Housing Element.

(ix). Full, true and correct copies of said IS/MND and all related environmental documents forming the basis for the Negative Declaration and this Resolution, as well as the 2013-2021 Housing Element, are located in and in the custody of the Office of the City Clerk.

(x). All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

1. In all respects as set forth in the Recitals, Part A., above.

2. Based upon the IS/MND prepared for the 2013-2021 Housing Element, the City Council exercises its independent judgment and finds that no substantial evidence exists that the approval of the 2013-2021 Housing Element will have a significant effect on the environment within the meaning of CEQA and approves the issuance of the IS/MND prepared with respect to the 2013-2021 Housing Element.

3. The City Council hereby adopts the 2013-2021 Housing Element, attached hereto as Exhibit "A" and by this reference incorporated as though fully set forth herein. The City Administrator hereby is directed to transmit said 2013-2021 Housing Element to HCD for final review pursuant to California Government Code § 65585(g), and to make any clerical or

technical revisions to said 2013-2021 Housing Element as may be necessary to address questions from HCD.

4. The City Clerk shall certify to the adoption of this resolution and shall cause copies of the 2013-2021 Housing Element to be mailed and/or made available as provided in California Government Code §§ 65357 and 65589.7.

PASSED, APPROVED and ADOPTED this 7th day of January, 2014.

SCOTT W. NELSON, MAYOR

ATTEST:

PATRICK J. MELIA, CITY CLERK

I, PATRICK J. MELIA, CITY CLERK of the CITY OF PLACENTIA DO HEREBY CERTIFY that the foregoing Resolution No. was adopted at a regular meeting of the City Council held on the 7th day of January, 2014 by the following vote:

- AYES: COUNCILMEMBERS:
- NOES: COUNCILMEMBERS:
- ABSENT: COUNCILMEMBERS:
- ABSTAIN: COUNCILMEMBERS:

PATRICK J. MELIA, CITY CLERK

APPROVED AS TO FORM:

ANDREW V. ARCZYNSKI,
CITY ATTORNEY



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: INTERIM ASSISTANT CITY ADMINISTRATOR
DATE: JANUARY 7, 2014
SUBJECT: **SECOND READING AND ADOPTION OF AN ORDINANCE AMENDING TITLE 23 (ZONING ORDINANCE) OF THE PLACENTIA MUNICIPAL CODE ADDING § 23.90.197 TO CHAPTER 23.90 OF TITLE 23 OF THE PLACENTIA MUNICIPAL CODE ALLOWING DIGITAL AND STATIC ADVERTISING DISPLAYS ON CITY-OWNED PROPERTY (ZONING CODE AMENDMENT 2013-03.)**

CEQA DETERMINATION: Mitigated Negative Declaration (MND) 2013-01
Mitigation Monitoring and Reporting Program

FISCAL
IMPACT: N/A

INTRODUCTION:

The City Council desires to establish effective mechanisms for the potential placement of digital and static outdoor advertising signs on City-owned property. In order to ensure that such signs are appropriately placed within the City, it was determined by Staff that such signs should only be placed in proximity to freeways (State Routes 57 and 91), as well as primary arterial highways. The specific placement of each sign should be carefully considered and the development thereof, including placement, height and other limitations thereon, should be determined by means of a development agreement pursuant to the procedures described in California Government Code § 65867.

This item is the second reading of a Zoning Code Amendment to include provisions within the Placentia Municipal Code, specifically the City's Zoning Code (Title 23), to allow such outdoor advertising signs only on City-owned property and only within designated areas along State Routes 57 and 91 Freeways, as well as primary arterial highways.

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Approve Mitigated Negative Declaration (MND) 2013-01 and direct the City Clerk to file notice of approval thereof as required by law; and
2. Approve the Mitigation Monitoring and Reporting Program to ensure future applications pursuant to the revised code provisions are adequately scrutinized; and
3. Conduct second reading by title only and adopt, Ordinance O-2013-09 entitled, "An Ordinance of the City Council of the City of Placentia adding Section 23.90.197 to Chapter 23.90 of Title 23 of the Placentia Municipal Code allowing digital and static advertising displays on city-owned property".

3.a.

January 7, 2014

DISCUSSION:

All signs, including advertising signs, are regulated by Chapter 23.90 of the Placentia Municipal Code ("PMC"). Chapter 23.90 ("Sign Code") sets forth restrictions and standards for all types of signs to include billboards and off-premise freeway signs. On December 3, 2013, the City Council conducted a public hearing to consider a new § 23.90.197 which, under strict guidelines, may permit billboards to be erected and maintained on City-owned property in proximity to the Route 57 and Route 91 freeways as well as primary arterial highways. City-owned property includes public right-of-way, City parks, and other property owned by the City not within the public right-of-way.

The proposed Ordinance allows billboards be established pursuant to specific development standards set out through a Development Agreement, after a public hearing, as approved by the City Council. California Government Code, §§ 65864 – 65869.5, Article 2.5 Development Agreements, authorizes any city to enter into a development agreement with any person having a legal or equitable interest in real property for the development of the property. The process of a third party leasing ground space from the City would create the required legal interest. Therefore, the process proposed requires a multi-step review by the City Council as both a lease and a Development Agreement are required. A development agreement specifies the duration of the agreement, the permitted uses of the property, maximum height and size of proposed structures, and provisions for reservation or dedication of land. A development agreement is a legislative act and must be approved by ordinance (that is, go through a First Reading followed no less than five (5) days later by a Second Reading and Adoption), after a public hearing and must be consistent with the general plan.

The Development Agreement process ensures that the City Council is fully informed and involved in the discretionary review of any proposed outdoor advertising.

At the conclusion of the public hearing on December 3, 2013, the City Council introduced for first reading the recommended ordinance and set second reading for December 17, 2013.

Staff recommends the City Council enact the proposed ordinance, and make the following findings:

Finding

1. The proposed amendment will not be: (A) detrimental to the health, safety, or general welfare of the persons residing or working within the neighborhood of the proposed amendment or within the City, or (B) injurious to property or improvements within the neighborhood or within the city; and

Facts

Based on the Initial Study/Mitigated Negative Declaration, the proposed Zoning Code Amendment will not be: (A) detrimental to the health, safety or general welfare of the persons residing or working within the neighborhood of the proposed amendment or within the City, or (B) injurious to property or improvements within the neighborhood or within the City. The basis for these facts is the that the proposed ordinance sets forth a process for which such signage can be proposed and properly placed in a manner that is the least impactful to adjacent properties. Further, the requirement for a Development Agreement ensures that the City Council has ample opportunity to obtain dedications, exactions, or revisions from the developer

to ensure that any item considered to be potentially detrimental may be remedied through the discretionary action.

Finding

2. The proposed Zoning Code Amendment will be consistent with the latest adopted general plan.

Fact

The proposed Zoning Code Amendment is consistent with the latest adopted general plan.

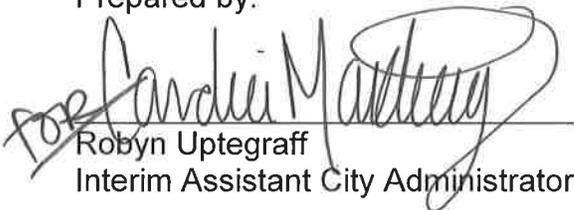
CEQA:

The amendments set forth in the proposed ordinance were prepared pursuant to an Initial Study and Mitigated Negative Declaration prepared in accordance with the requirements of the California Environmental Quality Act ("CEQA"), California Public Resources Code §§ 21000, *et seq.*, the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, §§ 15000, *et seq.*, and the Environmental Impact Report Guidelines of the City of Placentia. The City Council has exercised its independent judgment when considering said Initial Study and Mitigated Negative Declaration and public comments received in connection with the advertised Public Hearing before the Planning Commission and the City Council. The review period for the Initial Study and Mitigated Negative Declaration concluded prior to the hearing regarding the Ordinance by the City Council, and the City Council will exercise its ultimate authority to approve or deny the Initial Study and Mitigated Negative Declaration. Furthermore, said Initial Study and Mitigated Negative Declaration and all related environmental documents forming the basis for the Mitigated Negative Declaration and the proposed Ordinance are located in, and in the custody of, the Office of the City Clerk, City of Placentia. Staff recommends the City Council approve the Mitigated Negative Declaration. If adopted, a Notice of Determination will be filed with the Orange County Clerk/Recorder, as required by law.

In addition, Staff has prepared a Mitigation Monitoring and Reporting Program to effect careful analysis and review of any proposed project pursuant to the ordinance.

Accordingly, it is Staff's recommendation that the City Council make the requisite findings, conduct second reading and adopt Zoning Code Amendment 2013-03; approve the Mitigated Negative Declaration and approve the Mitigation Monitoring and Reporting Program.

Prepared by:


Robyn Uptegraff
Interim Assistant City Administrator

Reviewed and Approved by:


Troy Butzlaff, ICMA-CM
City Administrator

Attachments:

- Attachment A: Ordinance O-2013-09 (Zoning Code Amendment 2013-03)
- Attachment B: Initial Study/Mitigated Negative Declaration 2013-01
- Attachment C: Mitigation Monitoring and Reporting Program

Attachment A

**Ordinance O-2013-09
(Zoning Code Amendment 2013-03)**

ORDINANCE NO. O-2013-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACENTIA ADDING SECTION 23.90.197 TO CHAPTER 23.90 OF TITLE 23 OF THE PLACENTIA MUNICIPAL CODE ALLOWING DIGITAL AND STATIC ADVERTISING DISPLAYS ON CITY OWNED PROPERTY.

[Zoning Code Amendment 2013-XX]

City Attorney's Summary

This Ordinance adds a new Section 23.90.197 to Title 23 of the Placentia Municipal Code allowing for the installation and operation of digital billboard signs visible from State Routes 57 and 91 as well as primary arterials on City owned property in accordance with the requirements of state and federal law.

A. Recitals.

(i). The City Council of the City of Placentia desires to establish effective mechanisms for the potential placement of Digital Billboard Signs on City-owned property.

(ii). In order to ensure that Digital Billboard Signs are appropriately placed within the City, it is determined that the such Digital Billboard Signs should only be placed in proximity to State Routes 57 and 91 Freeways as well as primary arterial highways.

(iii). The specific placement of Digital Billboard Signs should be carefully considered and the development thereof, including placement, height and other limitations thereon, should be determined by means of a development agreement pursuant to the procedures described in California Government Code § 65864, et seq.

(iv). All legal prerequisites to the adoption of this Ordinance have occurred.

B. Ordinance.

NOW, THEREFORE, the City Council of the City of Placentia does hereby find, determine and ordain as follows:

SECTION 1. In all respects, as set forth in the Recitals, Part A, of this Ordinance.

SECTION 2. (a). The City Council hereby finds and certifies that the Zoning Code amendment set forth below has been prepared pursuant to an Initial Study and Mitigated Negative Declaration prepared in accordance with the requirements of the California Environmental Quality Act ("CEQA"), California Public Resources Code §§ 21000, *et seq.*, the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, §§ 15000, *et seq.*, and the Environmental Impact Report Guidelines of the City of Placentia when considering said Initial Study and Mitigated Negative Declaration and all public comments received in connection therewith. Furthermore, said Initial Study and Mitigated Negative Declaration and all related environmental documents forming the basis for the Mitigated Negative Declaration and this Ordinance are located in, and in the custody of, the Office of the City Clerk, City of Placentia. This City Council does hereby approve the Mitigated Negative Declaration. The City Council hereby specifically finds and determines that, based upon the findings set forth below, changes and alterations will be incorporated into and conditioned upon any proposed development agreement in order to ensure no significant adverse environmental effects will occur.

(b). The City Council finds that facts supporting the above-specified findings are contained in the Negative Declaration, the staff report and exhibits, and the information provided to this City Council during the public hearing conducted with respect to the adoption of this Ordinance and the Negative Declaration. Mitigation measures will be made a condition of approval of any proposed development agreement and are intended to mitigate and/or avoid environmental effects identified in the Negative Declaration.

SECTION 3. A new Section 23.90.197 hereby is added to Chapter 23.90 of Title 23 of the Placentia Municipal Code, to read, in words and figures, as follows:

"Section 23.90.197. Digital Billboard Signs on City-owned Property.

"For purposes of this section, (1) a 'digital billboard sign' means and refers to an advertising structure (as that term is defined in the California Outdoor Advertising Act - California Business & Professions Code, § 5200, *et seq.*) that uses digital-display technology; and (2) 'City-owned property' means and

refers to any property in which the City is the owner of the majority of the fee title interest, as well as property in which the City has a leasehold, easement, license or other possessory interest.

"A. Notwithstanding any provision of the Placentia Municipal Code to the contrary, the City, pursuant to the provisions of California Government Code § 65850, *et seq.*, may: Authorize the construction, repair, replacement and maintain digital billboard signs within or upon City-owned property and visible from State Routes 57 or 91 or primary arterial highways, subject to subsections A.1. through A.5, below. Such terms may include utilizing a relocation agreement, which would allow the removal of a display and construction of a new display to substitute for the display that is removed. A digital billboard sign may be electronic, programmable, static and/or illuminated and provide for 'off-premises' advertising (as that term is defined in § 23.90.010).

"1. The City-owned property must be located in a commercial or industrial zone or immediately adjacent to City controlled right of way.

"2. All digital-display faces must be oriented primarily for viewing from the freeway or highway to which it is adjacent.

"3. Notwithstanding any provision to the contrary in the Placentia Municipal Code, the maximum height of a digital billboard sign, measured from finished grade to the top of the digital-display face, is 75 feet; and the overall maximum height, measured from finished grade to the top of the billboard structure, is 85 feet.

"4. Notwithstanding any provision to the contrary in the Placentia Municipal Code, a digital billboard sign may have either one (1) or two (2) display faces. Any digital billboard sign shall have a maximum area of a display face of twelve hundred (1,200) square feet with the maximum height of the display face twenty-five (25) feet and the maximum length of the display face sixty (60) feet.

"5. A digital billboard sign may display only a still image in each of its display messages. This means that the still image being displayed may not move or present the appearance of motion and may not use flashing, blinking, or traveling lights or any other means not providing constant illumination (except that part necessary to give public service information such as time, date,

temperature, weather, or similar information). The digital billboard sign must expose each message display for not less than four (4) seconds, unless a greater amount of time is set forth as a recommendation in the most recent guidance document issued by the Federal Highway Administration on the subject of changeable electronic variable message signs; in such case, the minimum FHWA standard shall apply. The transition or blank screen time between one display message and the next may not exceed one (1) second, nor shall this transition time be construed as a failure to comply with the constant illumination requirement set forth above.

"B. Notwithstanding any provision of the Placentia Municipal Code to the contrary, an existing sign that is removed and/or relocated in the implementation or exercise of subsection A., above, may include either a legal conforming sign or a legal nonconforming sign; such status shall be determined by the City Administrator. Any sign approved for relocation must be removed prior to construction or installation of the digital billboard sign that will replace it.

"C. In addition to complying with the other requirements of this section, a digital billboard sign must also comply with the requirements of the California Outdoor Advertising Act, Chapter 2 in Division 3 of the California Business and Professions Code, commencing at § 5200 ('Act'), including but not limited to, the restrictions on size, height, intermittent flashing lights, proximity to interstate and primary highways and landscaped freeways, and other regulations set forth in Articles 7 and 8 of the Act. To the extent a conflict arises between this section and the Act, the Act will prevail, except for the FHWA recommendation referenced in subsection A.5., above.

"D. Findings for Approval of a Digital Billboard Sign or Relocation Agreement. In addition to the findings required pursuant to California Government Code § 65850, et seq., a digital billboard sign or relocation agreement may be approved if the City Council makes the following findings:

"1. The digital billboard sign or relocation agreement substantially complies with the purpose and requirements of this section; and

"2. The digital billboard sign or relocation agreement will not interfere with onsite access or circulation or significantly interfere with visibility."

SECTION 4. Penalty for Violation.

It shall be unlawful for any person, firm, partnership or corporation to violate any provision or to fail to comply with any of the requirements of this Ordinance hereby adopted. Any person, firm, partnership or corporation violating any provision of this Ordinance or failing to comply with any of its requirements shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding One Thousand Dollars (\$1,000.00), or by imprisonment not exceeding six (6) months, or by both such fine and imprisonment. Each and every person, firm, partnership, or corporation shall be deemed guilty of a separate offense for each and every day or any portion thereof during which any violation of any of the provisions of this Ordinance is committed, continued or permitted by such person, firm, partnership or corporation, and shall be deemed punishable therefore as provided in this Ordinance.

SECTION 5. Civil Remedies Available.

The violation of any of the provisions of this Ordinance hereby adopted shall constitute a nuisance and may be abated by the City through civil process by means of restraining order, preliminary or permanent injunction or in any other manner provided by law for the abatement of such nuisances.

SECTION 6. Severability.

The City Council declares that, should any provision, section, paragraph, sentence or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this Ordinance shall remain in full force and effect.

SECTION 7. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after passage.

PASSED and ADOPTED this ___ day of _____, 2013.

SCOTT W. NELSON, MAYOR

ATTEST:

PATRICK J. MELIA, CITY CLERK

I, PATRICK J. MELIA, City Clerk of the City of Placentia, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council held on the _____ day of _____, 2013 and was finally adopted at a regular meeting held on the _____ day of _____, 2013, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

PATRICK J. MELIA, CITY CLERK

APPROVED AS TO FORM

ANDREW V. ARCZYNSKI,
CITY ATTORNEY

Attachment B

Initial Study/Mitigated Negative Declaration 2013-01

ENVIRONMENTAL CHECKLIST FORM AND ENVIRONMENTAL DETERMINATION

Project Title:	Digital and Static Advertising Displays on City-owned Property Zoning Code Amendment No. 2013-03		
Lead Agency Name & Address:	City of Placentia Development Services Department 401 E. Chapman Ave., Placentia, CA 92870		
Contact Person & Phone No.:	Monique Schwartz, Associate Planner (714) 993-8124		
Project Location/Address:	The proposed amendment to the Zoning Code would apply citywide.		
Project Sponsor's Name & Address:	City of Placentia Development Services Department 401 E. Chapman Ave., Placentia, CA 92870		
General Plan Designation:	See Project Description	Zoning:	See Project Description
Overlay Zone/Special District:	N/A		
Project Description and Requested Action: <i>(Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheets if necessary)</i>			
<p>This Initial Study evaluates the potential environmental impacts that would be expected to result from the proposed amendment to the City's Zoning Code provisions regarding digital/static billboard signs on City-owned sites adjacent to State Routes 57 and 91, as well as primary arterial highways. This proposed action is described further below.</p> <p>Zoning Code Amendment No. 2013-03. The proposed Code amendment would add §23.90.197 to Chapter 23.90 of Title 23 of the Municipal Code, and would regulate digital/static billboard signs on City-owned property subject to a development agreement pursuant to California Government Code § 65864 et seq. The proposed ordinance contains the following requirements and restrictions:</p> <ul style="list-style-type: none"> • Digital billboards may only be located on property owned or controlled by the City, which is located in a commercial or industrial zone, or adjacent to City-controlled right-of-way, and which is visible from State Routes 57 or 91 or primary arterial highways. • Digital billboard signs may be electronic, programmable, static and/or illuminated and provide for off-premises advertising. • All digital-display faces must be oriented primarily for viewing from the freeway or highway to which it is adjacent. • The overall maximum height of a digital billboard sign, measured from finished grade to the top of the billboard structure, shall not exceed 85 feet, and the maximum height from finished grade to the top of the display face shall be 75 feet. • Digital billboards may have one or two faces, with a maximum face area of 1,200 square feet, a maximum face height of 25 feet, and a maximum face width of 60 feet. • Digital billboards may only display still images, which must display each message for a minimum of four seconds or the minimum Federal Highway Administration (FHWA) standard, if longer. • Digital billboard signs must also comply with the requirements of the California Outdoor Advertising 			

Act, Chapter 2 in Division 3 of the California Business and Professions Code, commencing at § 5200. These requirements include limits on lighting intensity and spacing between digital billboard signs, including a minimum of 500 feet from another billboard on the same side of the freeway and a minimum of 1,000 feet from another digital billboard.

Existing Conditions of the Project Site:

The proposed Ordinance would apply citywide. The City of Placentia is located in the northern portion of Orange County (Exhibit 1-Vicinity Map). To the north is the City of Brea; to the east are the cities of Yorba Linda and Anaheim; to the south is the City of Anaheim; and to the west is the City of Fullerton.

Surrounding Land Uses and Setting: *(Briefly describe the project's surrounding)*

N.A. (citywide)

Other public agencies whose approval is required: *(e.g., permits, financing approval, or participation agreement)*

Recommendation for approval to the City Council by the Placentia Planning Commission and approval by the City Council is required for the proposed Zoning Code amendment. Approval of a Development Agreement by the Placentia City Council and issuance of building permits by the City's Development Services Department will be required prior to installation of any signs pursuant to the proposed Ordinance. An applicant must also obtain a sign permit from Caltrans.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a 'Potentially Significant Impact' as indicated by the checklist on the following pages:

- | | |
|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Land Use / Planning |
| <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Mineral Resources |
| <input type="checkbox"/> Air Quality | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Population / Housing |
| <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Public Services |
| <input type="checkbox"/> Geology /Soils | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Transportation/Traffic |
| <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Utilities / Service Systems |
| <input type="checkbox"/> Hydrology / Water Quality | <input type="checkbox"/> Mandatory Findings of Significance |

ENVIRONMENTAL DETERMINATION:

On the basis of this initial evaluation:

- I find that the proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A **MITIGATED NEGATIVE DECLARATION** will be prepared.
- I find that the proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.
- I find that the proposed project **MAY** have a 'potentially significant impact' or 'potentially significant unless mitigated' impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier **EIR** or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier **EIR** or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Monique Schwartz	Associate Planner
_____ Name	_____ Title
	10/31/2013
_____ Signature	_____ Date

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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I. AESTHETICS -- Would the project:

a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Responses:

a) Have a substantial adverse effect on a scenic vista?

There are no scenic vistas within the within the project area, therefore the construction of digital billboards would not have a significant effect on a scenic vista. No mitigation measures are required.

b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

There are no designated scenic highways within the City (Circulation Element, p. VI-1) and there are no scenic resources within the in areas that would be affected by the proposed Ordinance. No significant impacts would occur and no mitigation measures are required.

c) Substantially degrade the existing visual character or quality of the site and its surroundings?

The project area is fully urbanized and therefore the effect of construction of digital billboards as envisioned by the proposed Ordinance would not substantially degrade visual quality. The proposed Ordinance would require all signs to be oriented to the freeway or highway, thereby reducing their visibility from adjacent areas and mitigating aesthetic effects of the signs on any nearby residential areas from which they may be visible. No mitigation measures are required.

d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?

Freeway and primary arterial highway corridors in the City of Placentia are fully urbanized with a significant amount of existing light and glare. The effect of new digital billboards as permitted by the proposed Ordinance would incrementally add to the existing level of light and glare in the area. As required by the Ordinance, signs must be oriented to the freeway or highway, thereby reducing their visibility and the impact of the signs on nearby residential areas. In addition, California Vehicle Code § 21466.5 requires the lighting intensity level of billboard copy to be adjusted based on ambient light levels, as follows:

21466.5. No person shall place or maintain or display, upon or in view of any highway, any light of any color of such brilliance as to impair the vision of drivers upon the highway. A light source shall be considered vision impairing when its brilliance exceeds the values listed below. The brightness reading of an objectionable light source shall be measured with a 1-1/2-degree photoelectric brightness meter placed at the driver's point of view. The maximum measured brightness of the light source within 10 degrees from the driver's normal line of sight shall not be more than 1,000 times the minimum measured brightness in the driver's field of view, except that when the minimum measured brightness in the field of view is 10 foot-lamberts or less, the measured brightness of the light source in foot-lambert shall not exceed 500 plus 100 times the angle, in degrees, between the driver's line of sight and the light source.

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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In addition to this state Vehicle Code requirement, signs allowed under the proposed ordinance may require a permit from Caltrans. The following mitigation measures would reduce potential impacts to light and glare to a level that is less than significant and ensure compliance with state law.

Mitigation Measures

AES-1 Prior to approval of a Development Agreement for any future digital billboard, a lighting analysis demonstrating compliance with all applicable regulations shall be submitted for review and approval by the City Engineer.

AES-2 Prior to issuance of any building permit for a digital sign for which a development agreement has been approved, evidence shall be submitted to the City Engineer demonstrating that all required Caltrans permits have been obtained.

II. AGRICULTURE RESOURCES AND FOREST RESOURCES:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Result in the loss of forest land or conversion of forest land to non-forest use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Responses:

(a-e) There are no farmland or forest resources in the area affected by the proposed Ordinance, and no impacts would occur. No mitigation measures are necessary.

III. AIR QUALITY -- Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:

- | | | | | |
|--|--------------------------|-------------------------------------|--------------------------|--------------------------|
| a) Conflict with or obstruct implementation of the applicable air quality plan? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>Responses:</u></p> <p>a) Conflict with or obstruct implementation of the applicable air quality plan? b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation? c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?</p> <p>Potential impacts to air quality would occur during the construction phase and during on-going operation of signs.</p> <p><u>Construction Emissions</u></p> <p>During construction, emissions would be generated by gasoline- or diesel-powered construction equipment. Fugitive dust emissions could also occur during grading, excavation and site preparation. The anticipated duration of construction is expected to be approximately 120 days at any sign location. Required compliance with the following mitigation measure during construction would reduce such emissions to a level that is less than significant.</p> <p><u>Mitigation Measures</u></p> <p>AQ-1 <u>Fugitive Dust Control.</u> During construction, the following requirements shall be enforced to reduce fugitive dust emissions:</p> <p><i>Scheduling - Minimize repeated disturbance of any area and reduce the time period between disturbance and subsequent construction or stabilize any already disturbed areas.</i></p> <p><i>High Winds - Cease disturbance operations if dust control is not effective</i></p> <p><i>Disturbance Area - Keep disturbance operations if dust control is not effective</i></p> <p><i>Dust Control - Utilize dust suppression techniques, including:</i></p> <ol style="list-style-type: none"> a. Water exposed surfaces as needed to avoid visible dust leaving the construction site (typically 3 times/day). b. Cover all stock piles with tarps at the end of each day or as needed. c. Provide water spray during loading and unloading of earthen materials. d. Minimize in-out traffic from construction zone e. Require all trucks to maintain at least two feet of freeboard and cover all trucks hauling dirt or sand f. Sweep streets daily if visible soil material is carried out from the construction site <p><i>On-Site Roads - Pave as soon as possible and restrict ravel speed to 15 mph prior to paving.</i></p> <p><i>Revegetation - Revegetate graded areas as soon as possible</i></p> <p><i>Fencing - Install perimeter fencing with wind screens</i></p> <p><u>Exhaust Emissions Control.</u> During construction, the following requirements shall be enforced to reduce equipment exhaust emissions:</p>				

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
<ul style="list-style-type: none"> • Utilize well-tuned off-road construction equipment. • Establish a preference for contractors using Tier 3 or better heavy equipment. • Enforce 5-minute idling limits for both on-road trucks and off-road equipment. <p><u>Operational Emissions</u></p> <p>New digital billboards would be hard-wired to the electrical system and no on-site generators would be used, therefore signs would not directly generate emissions on site. Off-site generation of emissions could increase incrementally due to an increased demand for electricity from oil-, coal- or gas-powered electrical generation facilities. However, this impact would be substantially reduced by the use of energy-efficient LED lighting in new billboards, which use less energy than older lighted billboards. Emissions from electrical generation facilities are also expected to decline over time as older plants are upgraded with new pollution control technology or are replaced with new plants. Installation of new digital billboards could result in a net reduction in electrical demand if existing signs were replaced with new digital billboards, as allowed by the proposed ordinance. The following mitigation measure would reduce emissions impacts related to electricity use to a level that is less than significant.</p> <p>AQ-2 <u>Emissions from Electrical Power Generation Facilities.</u> <i>New digital signs shall minimize emissions from electrical power generation facilities through compliance with the following requirements:</i></p> <ul style="list-style-type: none"> • No on-site generators shall be used for electrical power except as may be required for temporary maintenance and repair. • New signs shall use energy-efficient LED lighting. <p>During operation, occasional maintenance would involve light-duty truck traffic to each site. Maintenance vehicles are required to be licensed and must comply with state emissions regulations, therefore no significant impacts to air quality would be anticipated. No mitigation measures are required.</p> <p>d) Expose sensitive receptors to substantial pollutant concentrations? e) Create objectionable odors affecting a substantial number of people?</p> <p>During construction, dust and other air pollutants and odors could be generated by gasoline- or diesel-powered equipment. Required compliance with AQMD regulations (e.g., watering to suppress dust, regular maintenance and tune-ups of construction equipment and vehicle engines, location of staging areas as far as practical from sensitive land uses) and Mitigation Measures AQ-1 and AQ-2 would reduce potential impacts during construction to a level that is less than significant.</p>				
IV. BIOLOGICAL RESOURCES -- Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Responses:</u>				
(a-f) The project vicinity is fully urbanized and there are no known sensitive biological resource present within the area. No impacts would occur and no mitigation measures are necessary.				

V. CULTURAL RESOURCES -- Would the project:

a) Cause a substantial adverse change in the significance of a historical resource as defined in 15064.5?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to 15064.5?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Responses:

a) Cause a substantial adverse change in the significance of a historical resource as defined in 15064.5?

Various historical or potentially historical resources are present throughout the City. According to the Placentia Historical Resource Survey (2002 Update), there are 357 documented buildings and sites that were over 40 years of age. Of these, there are 39 buildings/properties that are potential nominees for the National Register of Historic Places. Future development could cause an adverse change in the significance of historical resources. Mitigation Measure CUL-1 would require that prior to development of any future site proposed for installation of a digital billboard, the site shall be reviewed to determine whether any potential impacts to historic resources could occur, as defined by CEQA Guidelines §15064.5. If any historical resources are found to be present, additional mitigation may be required to reduce potential impacts to a less than significant level.

Mitigation Measures

CUL-1 Prior to approval of a Development Agreement for any future digital billboard, a site survey shall be conducted in a manner meeting the approval of the City Engineer to determine whether the site contains any historic resources pursuant to CEQA Guidelines §15064.5. If any historic resources would be

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
<i>impacted, appropriate mitigation measures shall be required in a manner meeting the approval of the City Engineer.</i>				
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to 15064.5?				
There are no known significant archaeological resources within the area affected by the proposed Ordinance. However, Mitigation Measure CUL-2 would require appropriate steps should such resources be discovered during construction, and would reduce potential impacts to a less than significant level.				
<i>CUL-2 If evidence of subsurface archaeological or paleontological resources or artifacts is uncovered during excavation, work shall be halted immediately and the City Building Official shall be notified. A cultural resources investigation shall be conducted by a qualified investigator and if the find is determined to be significant, a mitigation plan shall be implemented pursuant to CEQA Guidelines §15064.5 in a manner meeting the approval of the Building Official. The Building Official shall ensure that a note describing this requirement is placed on all grading and building plans.</i>				
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				
There are no known significant paleontological resources or geologic features within the area affected by the proposed Ordinance. However, Mitigation Measure CUL-2 above would require appropriate steps should such resources be discovered during construction, and would reduce potential impacts to a less than significant level.				
d) Disturb any human remains, including those interred outside of formal cemeteries?				
It is considered unlikely that human remains in a previously unknown burial site could be encountered during construction activities within the area affected by the proposed Ordinance. However, should any human remains be uncovered during construction, Mitigation Measure CUL-3 would reduce impacts in this regard to a less than significant level.				
<u>Mitigation Measure</u>				
<i>CUL-3 Should any human bone be encountered during excavation, all activity shall cease immediately and the contractor shall notify the City Building Official. The Building Official shall contact the Coroner pursuant to §§5097.98 and 5097.99 of the Public Resources Code relative to Native American remains. Should the Coroner determine the human remains to be Native American, the Native American Heritage Commission shall be contacted pursuant to Public Resources Code §5097.98, and a mitigation plan shall be developed and implemented pursuant to state law.</i>				

VI. GEOLOGY AND SOILS -- Would the project:

a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Responses:

a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:

i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.

ii) Strong seismic ground shaking?

iii) Seismic-related ground failure, including liquefaction?

iv) Landslides?

The Alquist-Priolo Earthquake Fault Zoning Act was passed in 1972 to mitigate the hazard of surface faulting to structures for human occupancy. The Act's main purpose is to prevent the construction of buildings used for human occupancy on the surface trace of active faults. The law requires the State Geologist to establish regulatory zones (known as Earthquake Fault Zones) around the surface traces of active faults and to issue appropriate maps. ["Earthquake Fault Zones" were called "Special Studies Zones" prior to January 1, 1994.] According to California Department of Conservation maps, the City of Placentia is not affected by a State-established Earthquake Fault Zone. According to the General Plan, the Whittier Fault forms the northerly extension of the Elsinore Fault (a major active zone). The Whittier Fault is considered potentially active requiring appropriate construction setbacks from its surface trace. Whittier Fault is, however, at least 1,000 feet north of the City. Therefore, it is not expected to have any direct impact on land use or construction within the City. No impacts would occur related to Alquist-Priolo zones.

The City is located within a seismically active region of Southern California. The region's major active faults include the San Andreas Fault, Norwalk Fault, Whittier/Elsinore Fault, Newport/Inglewood Fault, and the Sierra Madre/San Fernando, among others, are potential sources of ground shaking within the City. Due to Placentia's location with respect to the known active and potentially active faults present in Southern California, the potential for ground shaking in the City is considered generally moderate. The intensity of ground shaking would depend upon the magnitude of the earthquake, distance to the epicenter, and the geology of the area between the epicenter and the site. The General Plan concluded "the potential hazard of strong ground motion, due to seismic events along the adjacent potentially active fault zones, may be considered in the acceptable category given the mitigating construction techniques available and the numerous advantages offered by the area as a unique living environment." (Placentia General Plan, Seismic Safety Element)

Any billboard signs that would be permitted under the proposed Ordinance would not be occupied, and therefore the only risk due to seismic activity would occur if the structure were to fall onto an occupied building, a person outside a building, or onto a roadway creating a traffic hazard.

The City regulates all development under the requirements of the California Building Code (see PMC Chapter 20.04,

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
<p><i>California Building Code</i>). The effects of ground shaking, landslides and soil conditions (such as liquefaction) would be sufficiently mitigated through design and construction in conformance with current building codes and engineering standards. Therefore, the sign structures anticipated by the proposed Ordinance would not expose people or structures to potential substantial adverse effects involving strong seismic ground shaking. No mitigation measures are required.</p> <p>b) Result in substantial soil erosion or the loss of topsoil?</p> <p>Clearing, grading and excavation for construction associated with future digital billboards could expose soils to minimal short-term erosion by wind and water, and loss of topsoil. Grading and building plans for proposed structures would be required to include drainage and erosion control measures to minimize the impacts from erosion and sedimentation during excavation. Additionally, any project site encompassing an area of one acre or more would require compliance with a National Pollutant Discharge Elimination System (NPDES) permit and consequently the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP). Required compliance with PMC Chapter 16.20, <i>Stormwater Runoff and Urban Pollutant Control</i>, as well as NPDES requirements for erosion control, grading, and soil remediation, would reduce potential impacts to a level that is less than significant. No mitigation measures are necessary.</p> <p>c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?</p> <p>The standard requirements listed under items a) and b) above would reduce potential impacts to a less than significant level. No mitigation measures are required.</p> <p>d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?</p> <p>The standard requirements listed under items a) and b) above would reduce potential impacts to a less than significant level. No mitigation measures are required.</p> <p>e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?</p> <p>No septic tanks or wastewater systems would be installed in connection with billboard structures. No mitigation measures are necessary and no impacts would occur.</p>				
VII. GREENHOUSE GAS EMISSIONS --Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Responses:</u>				
<p>a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?</p> <p>The CEQA Guidelines require a lead agency to make a good-faith effort based, to the extent possible, on scientific and factual data in order to describe, calculate, or estimate the amount of GHG emissions resulting from a project. They give discretion to the lead agency in whether to:</p>				

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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- 1) Use a model or methodology to quantify GHG emissions resulting from a project, and which model or methodology to use; and/or
- 2) Rely on a qualitative analysis or performance-based standards.

In addition, a lead agency should consider the following factors, among others, when assessing the significance of impacts from GHG emissions on the environment:

- The extent to which the project may increase or reduce GHG emissions as compared to the existing environmental setting;
- Whether the project emissions exceed a threshold of significance that the lead agency determines applies to the project; and
- The extent to which the project complies with regulations or requirements adopted to implement a statewide, regional, or local plan for the reduction or mitigation of GHG emissions.

Currently, neither the City of Placentia, the South Coast Air Quality Management District nor the State of California has adopted significance thresholds for GHG emissions.

Construction Emissions

During construction, emissions would be generated by gasoline- or diesel-powered construction equipment. The anticipated duration of construction is expected to be approximately 120 days at any sign location. Required compliance with Mitigation Measure AQ-1 during construction would reduce such emissions to a level that is less than significant.

Operational Emissions

New digital billboards would be hard-wired to the electrical system and no on-site generators would be used, therefore signs would not directly generate greenhouse gas emissions on site. Off-site generation of emissions could increase incrementally due to an increased demand for electricity from oil-, coal- or gas-powered electrical generation facilities. However, this impact would be substantially reduced by the use of energy-efficient LED lighting in new billboards, which use less energy than older lighted billboards. Greenhouse gas emissions from electrical generation facilities are also expected to decline over time as older plants are upgraded with new pollution control technology or are replaced with new plants. Installation of new digital billboards could result in a net reduction in electrical demand if existing signs were replaced with new digital billboards, as allowed by the proposed ordinance. Mitigation Measure AQ-2 would reduce emissions impacts related to electricity use to a level that is less than significant.

During operation, occasional maintenance would involve light-duty truck traffic to each site. Maintenance vehicles are required to be licensed and must comply with state emissions regulations, therefore no significant impacts to greenhouse gas would be anticipated. No mitigation measures are required.

b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

As discussed in a) above, impacts from the proposed ordinance would be mitigated to a level that is less than significant and would not conflict with any applicable plan, policy or regulation related to greenhouse gas emissions. No additional mitigation measures are necessary.

VIII. HAZARDS AND HAZARDOUS MATERIALS --Would the project:

- a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school??	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Responses:

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

During construction, flammable fuel would be used or stored on site. Existing City regulations requiring proper safety precautions would reduce this potential impact to a level that is less than significant. No hazardous materials would be expected to be used or stored on-site after completion of construction. Therefore, impacts regarding transport, use or disposal of hazardous materials would be less than significant. No mitigation measures are required.

b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?

As noted in a) above, flammable or hazardous materials would be used during construction, however standard safety protocols required under City regulations would reduce this potential impact to a level that is less than significant and no mitigation measures are required.

c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

As noted in a) above, the types of materials typically used during construction do not pose a substantial risk, and therefore, potential impacts would be less than significant and no additional mitigation measures are required.

d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 and, as a result, would it create a significant hazard to the public or the environment?

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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There are no sites in Placentia on the Cortese list of hazardous material sites. No impacts would occur and no mitigation measures are necessary.

e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?

There are no airports located within the City or in its vicinity. The nearest airport (Fullerton Municipal Airport) is located approximately 5 miles west of the City. The area affected by the proposed Ordinance is outside the Height Restriction Zone area for Fullerton Airport. Therefore, the proposed Ordinance would not result in a safety hazard related to aircraft operations. No mitigation measures are required.

f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?

As noted above, the nearest airport is located approximately 5 miles west of the City. The proposed Ordinance would not result in a safety hazard related to aircraft operations. No mitigation measures are required.

g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

The Placentia Emergency Operations Plan (EOP) provides guidance during emergency situations associated with natural disasters, technological incidents and nuclear defense operations. Additionally, the EOP establishes the emergency organization, assigns tasks, specifies policies and general procedures, and provides for coordination of planning efforts of the various emergency staff and service elements utilizing the Standardized Emergency Management System (SEMS). The construction of digital billboards would not physically interfere with the EOP and no mitigation measures are required.

h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?

There are no wildland fire hazard areas in the area subject to the proposed Ordinance. No impacts would occur and no mitigation measures are required.

IX. HYDROLOGY AND WATER QUALITY -- Would the project:

a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>Responses:</u>				
a) Violate any water quality standards or waste discharge requirements?				
<p>Short-term water quality impacts could occur during the construction of digital billboards. Grading and excavation could expose loose soil to wind and water erosion. If not controlled, the transport of these materials to local waterways would temporarily increase suspended sediment concentrations and release pollutants attached to sediment particles into local waterways. Required compliance with standard grading and building permit erosion control and water quality requirements (e.g., berms, sediment basins and traps, silt fences, straw dikes) would reduce these potential impacts to a level that is less than significant. No mitigation measures are necessary.</p>				
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				
<p>Construction of digital billboards anticipated under the proposed Ordinance would not use water, or interfere with groundwater recharge. No mitigation measures are necessary.</p>				
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?				
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?				
e) Create or contribute runoff which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?				
f) Otherwise substantially degrade water quality?				

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
<p>Digital billboards foundations would be approximately 5 feet in diameter (approximately 20 sq. ft.) and would not have a significant effect on drainage patterns or surface runoff. As noted in Section a) above, standard requirements would reduce impacts to water quality to a level that is less than significant. The proposed actions would not have any other adverse effects on water quality and no mitigation measures are necessary.</p> <p>g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?</p> <p>No new housing is proposed in connection with the ordinance. No impacts would occur.</p> <p>h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?</p> <p>i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?</p> <p>The City of Placentia is within the 500-year flood zone. Therefore, large scale flooding within the City is highly unlikely. The City does periodically experience flooding during winter weather events. The last recorded flood damage in the City occurred in 1995, when a pedestrian bridge was destroyed at Parque de los Vaqueros. Flood abatement measures to reduce the likelihood of flooding have been implemented by the Orange County Flood Control District. According to the Flood Insurance Rate Map for Orange County, the projected 100-year flood for Placentia is contained within the Carbon Creek, Carbon Creek Channel, Attwood Channel and Tri City Lake. The channels are located in the southern and southeast portion of Placentia, and no new signs would be located within these areas. Potential impacts would be less than significant and no mitigation measures are necessary.</p> <p>j) Inundation by seiche, tsunami, or mudflow?</p> <p>The proposed digital billboard sites are not located in an area that could be affected by seiche, tsunami or mudflow. No impacts would occur and no mitigation measures are necessary.</p>				

X. LAND USE AND PLANNING - Would the project:

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a) Physically divide an established community? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) Conflict with any applicable habitat conservation plan or natural community conservation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Responses:

a) Physically divide an established community?

The proposed digital billboards would be located on non-residential City-controlled property. No impacts would occur and no mitigation measures are necessary.

b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?

The proposed digital billboard sites would be located on non-residential City-controlled property in conformance with the General Plan and zoning regulations. The ordinance would be consistent with Circulation Element Policy 7 to "minimize the use of signs and billboards along arterial highways" because all future signs would be subject to review

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
<p>and approval of Development Agreements by the City Council. As the City's policy-making body, the City Council has the authority to determine whether proposed signs are in conformance with this General Plan policy. Potential impacts would be less than significant and no mitigation measures are necessary.</p>				
<p>c) Conflict with any applicable habitat conservation plan or natural community conservation plan?</p> <p>The area affected by the proposed Ordinance is fully urbanized and contains no habitat conservation plan or NCCP areas. No impacts would occur and no mitigation measures are necessary.</p>				
<p>XI. MINERAL RESOURCES -- Would the project:</p>				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><u>Responses:</u></p> <p>There are no mineral resources or recovery areas designated within the area affected by the proposed Ordinance. No impacts would occur and no mitigation measures are necessary.</p>				
<p>XII. NOISE --Would the project result in:</p>				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><u>Responses:</u></p> <p>a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?</p>				

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
<p>Potential noise impacts include impacts caused during construction and long-term impacts during operation.</p>				
<p><i>Short-Term Construction Impacts</i></p>				
<p>Pursuant to Placentia Zoning Code § 23.81.170, grading and construction is only permitted between the hours of 7 a.m. and 7 p.m. Monday through Friday, and between the hours of 9 a.m. and 6 p.m. on Saturday, and is prohibited at any time on Sunday and on all federal holidays, unless other hours are approved by the chief building official or city engineer upon receipt of evidence that an emergency exists which would constitute a hazard to persons or property. Although construction noise can be disturbing to persons in close proximity, it is a temporary impact that would be anticipated to occur for not more than 120 days at each sign location. No pile driving would be permitted in connection with sign construction. Compliance with the following mitigation measure would reduce this impact to a level that is less than significant.</p>				
<p><u>Mitigation Measure</u></p>				
<p><i>N-1 All construction shall comply with the requirements of Placentia Zoning Code § 23.81.170. No blasting or pile driving shall be permitted in connection with sign construction.</i></p>				
<p><i>Long-Term Operational Impacts</i></p>				
<p>Digital billboards do not generate any noise. No long-term impacts would occur and no mitigation measures are required.</p>				
<p><i>b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?</i></p>				
<p>Excessive groundborne vibration is typically caused by activities such as blasting in mining operations or pile driving during construction. As required by Mitigation Measure N-1, no blasting or pile driving would occur during construction of digital signs that would be allowed under the proposed Ordinance, therefore potential impacts would be less than significant.</p>				
<p><i>c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?</i></p>				
<p>As noted under item a). above, new digital billboards would not result in a permanent increase in noise levels. No impacts would occur and no mitigation measures are necessary.</p>				
<p><i>d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?</i></p>				
<p>Temporary noise impacts would be expected to occur during construction of digital billboards allowed under the proposed Ordinance. Required compliance with the City regulations described in Mitigation Measure N-1 regarding allowable hours of construction would reduce impacts to a level that is less than significant.</p>				
<p><i>e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?</i></p>				
<p>As noted in the previous discussion in <i>Section VIII. Hazards and Hazardous Materials</i>, the area affected by the proposed Ordinance is not located near an airport, and therefore no impacts would occur. No mitigation measures are necessary.</p>				
<p><i>f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?</i></p>				
<p>As noted in the previous discussion in <i>Section VIII. Hazards and Hazardous Materials</i>, the area affected by the proposed Ordinance is not located near an airport, and therefore no impacts would occur. No mitigation measures</p>				

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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are necessary.

XIII. POPULATION AND HOUSING -- Would the project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Responses:

a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

The construction of digital signs that would be permitted under the proposed Ordinance would have no effect on population growth. No impacts would occur and no mitigation measures are necessary.

b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?

c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

The proposed Ordinance would not result in the displacement of housing or people since new signs would only be permitted on City property where no housing exists. No impacts would occur and no mitigation measures are necessary.

XIV. PUBLIC SERVICES

- a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:
- | | | | | |
|--------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| Fire protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Police protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Schools? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Parks? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other public facilities? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Responses:

- Fire protection?**
- Police protection?**
- Schools?**
- Other public facilities?**

New digital signs that would be permitted under the proposed Ordinance would not generate additional demand for fire protection, police protection, schools or other public facilities. No impacts would occur and no mitigation

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
<p>measures are required.</p> <p>Parks?</p> <p>Sign support posts occupy only about 20 square feet of ground area. If a sign location is proposed within a park, the following mitigation measure would reduce potential impacts to a level that is less than significant.</p> <p>Mitigation Measures:</p> <p>PS-1 <i>If any digital sign is proposed within a park, it shall be located so as to minimize adverse impacts on recreational uses to the greatest extent feasible, as determined by the City Council through the approval of a Development Agreement.</i></p>				
XV. RECREATION				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><u>Response:</u></p> <p>a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?</p> <p>New digital signs would not increase the use of parks and recreational facilities, and no mitigation measures are necessary.</p> <p>b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?</p> <p>The proposed Ordinance does not include recreational facilities and would not require expansion of any recreational facilities. No mitigation measures are necessary.</p>				
XVI. TRANSPORTATION/TRAFFIC -- Would the project:				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Responses:

a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulating system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?

New digital signs that would be permitted under the proposed Ordinance would not generate any traffic, other than short-term traffic during construction, or result in any changes to streets, highways or other transportation facilities, and therefore would have no impact on the performance of the circulation system. No mitigation measures are necessary.

b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?

New digital signs that would be permitted under the proposed Ordinance would not generate any traffic, other than short-term traffic during construction, and would have no impact on circulation system level of service or other standards for roads or highways. No mitigation measures are necessary.

c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?

New digital signs that would be permitted under the proposed Ordinance would have no effect on demand for air travel or air traffic patterns. No mitigation measures are necessary.

d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

Digital signs visible from roadways have the potential to distract drivers and result in safety hazards; however, existing state and federal regulations and guidelines for digital billboards would ensure that the proposed signs would not cause a substantial safety hazard.

The Federal Highway Administration (FHWA) has issued recommendations regarding outdoor advertising signs adjacent to highways (FHWA, 2007) and the California Department of Transportation (CalTrans) implements the permit requirements of the state Outdoor Advertising Act (*Business and Professions Code*, §§2240, et seq.) affecting the operation of digital billboards. In addition to approvals and permits from the City, a permit from Caltrans is required to place an outdoor advertising sign adjacent to a state highway. State standards relating to highway safety in the area affected by the proposed Ordinance include the following:

- Must be outside the right of way of any highway.
- Display must be 500 feet from any other permitted display on same side of any highway that is a freeway.

EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>Responses:</u>				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				
New digital signs that would be permitted under the proposed ordinance would have no effect on the use of water or on wastewater facilities. No mitigation measures are necessary.				
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				
New digital signs that would be permitted under the proposed ordinance would have no effect on stormwater drainage facilities. No mitigation measures are necessary.				
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				
New digital signs that would be permitted under the proposed ordinance would not require the use of water. No mitigation measures are necessary.				
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?				
New digital signs that would be permitted under the proposed ordinance would not generate wastewater. No mitigation measures are necessary.				
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				
g) Comply with federal, state, and local statutes and regulations related to solid waste?				
New digital signs that would be permitted under the proposed ordinance would not generate any solid waste. No mitigation measures are necessary.				

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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EVALUATION OF ENVIRONMENTAL IMPACTS:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
<p>the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?</p>				
<p>The proposed ordinance would allow the construction of digital billboard signs along the SR-57 and SR-91 freeway corridors and along primary arterials. There are no significant biological resources within this area, and mitigation measures are included to ensure that no significant impacts to historical resources would occur.</p>				
<p>b) Does the project have impacts that are individually limited, but cumulatively considerable? ('Cumulatively considerable' means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>The proposed ordinance would permit the construction of digital billboard signs along the SR-57 and SR-91 freeway corridors and along primary arterials. The existing standards established by state and federal regulations and policies, the standards contained in the proposed ordinance, and the mitigation measures described in this Initial Study would ensure that cumulative impacts would be less than significant.</p>				
<p>c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>The existing standards for digital billboards established by state and federal regulations and policies, the standards contained in the proposed ordinance, and the mitigation measures described in this Initial Study, would ensure that potential impacts on human beings would be less than significant.</p>				

REFERENCES:(all reference documents are available for public review at the City of Placentia)

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(http://www.envirostor.dtsc.ca.gov/public/search.asp?cmd=search&reporttype=CORTESE&site_type=CSITES_OPEN_FUD_S_CLOSE&status=ACT_BKLG_COM&reporttitle=HAZARDOUS+WASTE+AND+SUBSTANCES+SITE+LIST)

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City Placentia *Municipal Code*.

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NCHRP. 2009. *Safety Impacts of the Emerging Digital Display Technology for Outdoor Advertising Signs*. Prepared by Jerry Wachtel, CPE, The Veridian Group, Inc., for the American Association of State Highway and Transportation Officials (AASHTO) as part of National Cooperative Highway Research Program Project 20-07, Task 256. January. NCHRP, Transportation Research Board, Washington, D.C. Obtained March 2013 at:
<http://apps.trb.org/cmsfeed/trbnetprojectdisplay.asp?projectid=2334>

Orange County Airport Land Use Commission, *AELUP Height Restriction Zone for Fullerton Municipal Airport*, 2004

LIST OF PREPARERS:

City of Placentia

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John Douglas, AICP

Principal

URS, Inc.

Brian R. Smith, AICP

Senior Associate

Attachment C
Mitigation Monitoring and Reporting Program

EXHIBIT A

**Mitigation Monitoring and Reporting Program
Zoning Code Amendment 2013-03 (Digital and Static Advertising Displays)**

Mitigation Measure	Implementation Responsibility	Monitoring Responsibility	Timing	Confirmation
<p>AES-1 Prior to approval of a Development Agreement for any future digital billboard, a lighting analysis demonstrating compliance with all applicable regulations shall be submitted for review and approval by the City Engineer.</p>	<p>City Engineer</p>	<p>City Administrator</p>	<p>Prior to approval of any development agreement.</p>	
<p>AES-2 Prior to issuance of any building permit for a digital sign for which a development agreement has been approved, evidence shall be submitted to the City Engineer demonstrating that all required Caltrans permits have been obtained.</p>	<p>City Engineer</p>	<p>City Administrator</p>	<p>Prior to issuance of a building permit.</p>	
<p>AQ-1 <u>Fugitive Dust Control</u>. During construction, the following requirements shall be enforced to reduce fugitive dust emissions: Scheduling - Minimize repeated disturbance of any area and reduce the time period between disturbance and subsequent construction or stabilize any already disturbed areas. High Winds - Cease disturbance operations if dust control is not effective Disturbance Area - Keep disturbance operations if dust control is not effective Dust Control - Utilize dust suppression techniques, including: a. Water exposed surfaces as needed to avoid visible dust leaving the construction site (typically 3 times/day). b. Cover all stock piles with tarps at the end of each day or as needed. c. Provide water spray during loading and unloading of earthen materials. d. Minimize in-out traffic from construction zone e. Require all trucks to maintain at least two feet of freeboard and cover all trucks hauling dirt or sand f. Sweep streets daily if visible soil material is carried out from the construction site On-Site Roads - Pave as soon as possible and restrict ravel speed to 15 mph prior to paving.</p>	<p>Contractor</p>	<p>Building Official</p>	<p>During construction</p>	

EXHIBIT A

Mitigation Monitoring and Reporting Program
Zoning Code Amendment 2013-03 (Digital and Static Advertising Displays)

Mitigation Measure	Implementation Responsibility	Monitoring Responsibility	Timing	Confirmation
<p>Revegetation - Revegetate graded areas as soon as possible</p> <p>Fencing - Install perimeter fencing with wind screens</p> <ul style="list-style-type: none"> • <u>Exhaust Emissions Control</u>. During construction, the following requirements shall be enforced to reduce equipment exhaust emissions: <ul style="list-style-type: none"> • Utilize well-tuned off-road construction equipment. • Establish a preference for contractors using Tier 3 or better heavy equipment. • Enforce 5-minute idling limits for both on-road trucks and off-road equipment. 				
<p>AQ-2 <u>Emissions from Electrical Power Generation Facilities</u>. New digital signs shall minimize emissions from electrical power generation facilities through compliance with the following requirements:</p> <ul style="list-style-type: none"> • No on-site generators shall be used for electrical power except as may be required for temporary maintenance and repair. • New signs shall use energy-efficient LED lighting. 	Sign operator	Building Official	Ongoing during the operational life of any sign.	
<p>CUL-1 Prior to approval of a Development Agreement for any future digital billboard, a site survey shall be conducted in a manner meeting the approval of the City Engineer to determine whether the site contains any historic resources pursuant to CEQA Guidelines §15064.5. If any historic resources would be impacted, appropriate mitigation measures shall be required in a manner meeting the approval of the City Engineer.</p>	Applicant	City Engineer	Prior to approval of any Development Agreement for a digital billboard.	
<p>CUL-2 If evidence of subsurface archaeological or paleontological resources or artifacts is uncovered during excavation, work shall be halted immediately and the City Building Official shall be notified. A cultural resources investigation shall be conducted by a qualified investigator and if the find is determined to be significant, a mitigation plan shall be implemented pursuant to CEQA Guidelines §15064.5 in a manner meeting the approval of the Building Official. The Building Official shall ensure that a note describing this requirement is placed on all grading and building plans.</p>	Contractor	Building Official	During construction.	
<p>CUL-3 Should any human bone be encountered during excavation, all activity shall cease immediately and the contractor shall notify the City Building Official. The Building Official shall contact the Coroner pursuant to §§5097.98</p>	Contractor	Building Official	During construction.	

EXHIBIT A

**Mitigation Monitoring and Reporting Program
Zoning Code Amendment 2013-03 (Digital and Static Advertising Displays)**

Mitigation Measure	Implementation Responsibility	Monitoring Responsibility	Timing	Confirmation
<p>and 5097.99 of the Public Resources Code relative to Native American remains. Should the Coroner determine the human remains to be Native American, the Native American Heritage Commission shall be contacted pursuant to Public Resources Code §5097.98, and a mitigation plan shall be developed and implemented pursuant to state law.</p>				
<p>N-1 All construction shall comply with the requirements of Placentia Zoning Code § 23.81.170. No blasting or pile driving shall be permitted in connection with sign construction.</p>	Contractor	Building Official	During construction.	
<p>PS-1 If any digital sign is proposed within a park, it shall be located so as to minimize adverse impacts on recreational uses to the greatest extent feasible, as determined by the City Council through the approval of a Development Agreement.</p>	City Council	City Council	Prior to approval of a Development Agreement.	
<p>T-1 Prior to issuance of a building permit, the contractor shall identify any necessary temporary lane closures and appropriate methods that will be taken to ensure public safety and emergency access during construction, in a manner meeting the approval of the Building Official.</p>	Contractor	Building Official	Prior to issuance of a building permit.	



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: INTERIM DIRECTOR OF FINANCE

DATE: JANUARY 7, 2014

SUBJECT: PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2013

FISCAL
IMPACT: NONE

SUMMARY:

The City of Placentia retained Haskell and White, an independent audit firm, to audit the financial statements and supporting documentation of the City's financial activities for the fiscal year ended June 30, 2013. The financial statements have been reviewed by Staff and the Financial Audit Oversight Committee. This action requests that the City Council receive and file the Comprehensive Annual Financial Report for the period ended June 30, 2013.

RECOMMENDATION:

It is recommended that the City Council take the following action:

1. Receive and file the Comprehensive Annual Financial Report for the period ending June 30, 2013.

DISCUSSION:

Following the close of each fiscal year, the City's external auditors conduct an audit of the City's financial records and assist in the compilation of the Comprehensive Annual Financial Report (CAFR). The paramount objective of general purpose external financial reporting is accountability. The goal of a financial statement audit is to provide users of these reports reasonable assurance from an independent source that the information presented in the statements is reliable.

The City's external auditor, Haskell and White, have completed their audit of the City's financial records in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the auditors plan and perform the audit to obtain reasonable assurance about whether the financial statements are free

4.a.

January 7, 2014

of material misstatement. This is the second year that our external auditors have no findings regarding our financial records or reporting.

Prepared by:



Michael Nguyen
Interim Director of Finance

Reviewed and approved by:



Troy L. Butzlaff/ICMA-CM
City Administrator

Attachment: Comprehensive Annual Financial Report

**CITY OF PLACENTIA, CALIFORNIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2013**

Prepared by the Finance Department of the
City of Placentia

CITY OF PLACENTIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2013

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CITY OF PLACENTIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2013

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CITY OF PLACENTIA
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The People are the City



Mayor
SCOTT W. NELSON

Mayor Pro Tem
JOSEPH V. AGUIRRE

Councilmembers:
CONSTANCE M. UNDERHILL
CHAD P. WANKE
JEREMY B. YAMAGUCHI

City Clerk:
PATRICK J. MELIA

City Treasurer:
CRAIG S. GREEN

City Administrator
TROY L. BUTZLAFF, ICMA-CM

401 East Chapman Avenue – Placentia, California 92870

December 19, 2013

To the Honorable Mayor, Members of the City Council, and Citizens of Placentia:

It is our pleasure to present the Comprehensive Annual Financial Report (CAFR) of the City of Placentia for the fiscal year ended June 30, 2013. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. It is our opinion that the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of the operations of the City, and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of Placentia, California. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Haskell & White LLP, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Placentia, California for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Placentia, California's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Placentia's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

Profile of the City of Placentia

The City of Placentia is located in north Orange County, in the heart of Southern California, with Los Angeles County to the north and San Diego County to the south. There are currently 34 cities within the County offering one of the finest climates in the United States. Orange County is now the second largest county in California trailing only Los Angeles and surpassing San Diego and is the sixth largest county in the nation. The City consists of approximately 6.7 square miles of land area and serves a population of over 50,000.

The City was incorporated in 1926. Under the City Charter adopted in 1965, the City government is organized in the Council-Administrator form. The City Council includes five (5) members, each of whom is elected at-large to overlapping four-year terms. The City Council annually selects a Mayor and Mayor Pro Tem for a one-year term. The City Council serves as the legislative and policy-making body of the City government. The City Council appoints a City Administrator and a City Attorney. The City Administrator is the City's chief executive officer and appoints all other City staff. The City Administrator is responsible for the daily administration of the City government and provides overall direction to all City departments.

The City provides a full range of municipal services including police, maintenance of streets and parks, community development (e.g., building, planning, code compliance), recreational and cultural activities, economic development, and administrative services (e.g., personnel, finance, information services). Fire services are contracted with the Orange County Fire Authority (OCFA) and refuse collection is franchised to a private refuse company, Republic Services.

Budget: The annual budget serves as the foundation for the City of Placentia's financial planning and control. The Finance Department, with City Administrator direction, develops budget guidelines and appropriation limits for each department every year in January. The departments then submit revenue and expenditure appropriation requests which are summarized by the Finance Department and presented to the City Administrator for review. The City Administrator then meets with each department and prepares a proposed budget document for the City Council.

The City's Charter requires that the City Administrator submit a proposed budget to the City Council at least 35 days prior to the start of each fiscal year. After the budget has been presented, it must be adopted by the City Council following a noticed public hearing.

Budgetary control is maintained at the department level, by fund. Budgetary control for capital improvement projects is maintained at the individual project level, by fund.

During the fiscal year, budget amendments between departments within a fund are approved by the City Administrator and new appropriations and transfers between funds are approved by City Council.

For fiscal year 2012-13, general fund revenues approximated \$30.1 million. The top three individual revenue sources, property taxes, sales taxes and sales tax in lieu, and the City's utility users tax, represent 66% of all general fund revenues. Tax revenues in total, including business licenses, franchise fees and other taxes represent nearly 71% of all general fund revenues while only 29% is generated by other revenue sources.

General fund expenditures in fiscal year 2012-13 were budgeted at \$30.3 million. Personnel costs, which include salaries and benefits, represent 53% of the total expenditures. Operational costs, which include materials, services and supplies, account for 42% of the budget. Capital outlay and debt service costs account for 5%.

Factors Affecting Financial Condition

Local Economy: The general fund revenue outlook for the long-term future of the City is difficult to predict. A modest recovery of the housing market has provided little tax growth to the City. The City experienced a 2% growth in property tax in fiscal year 2012-13. According to the County Assessor, property assessed values have been leveling off and a slight increase is expected for fiscal year 2013-14. As the City's single largest revenue source, this has resulted in an increase of revenue of about \$0.2 million since fiscal year 2011-12. Sales tax revenue declined by 26% from 2007-08 to 2009-10, largely due to lagging automobile sales, along with business-to-business, construction, and other retail sectors. Although the City did see its sales tax revenues increase about 10% in fiscal year 2011-12, sales tax revenue decreased 1% in fiscal year 2012-13. Staff anticipates moderate growth in sales tax revenue for the foreseeable future.

Long-term Perspective: As stated previously, both prolonged recessionary pressures and the sustained impact of State takeaways influence the City in both the near and long term. The City has been prudent with its financial resources and has contained costs by implementing both structural and one-time budget savings. Nonetheless, the economy continues to be tenuous and the future is difficult to predict. This perspective is reinforced by recent volatility in the stock market and challenges to the developed and developing economies.

As with past economic downturns, the City is proactively taking steps to align expenses and revenues through service and program cuts, revenue enhancements, and employee compensation savings. The City Council adopted a general fund budget for fiscal year 2012-13 that eliminated a projected deficit of \$1.9 million, through a balanced approach of revenue enhancements, budget reductions, structural changes, and a reduced retirement benefit for new employees. The City is in continued negotiations with public safety employees to seek comparable concessions.

While Placentia's underlying economy is viewed as positive in the long-term, today's economic challenges, notably to the City's general fund, must be dealt with now to ensure long-term fiscal sustainability. This includes making adjustments to its general expenditures in order to address an ongoing structural deficit over the next few fiscal years. In addition, the other enormous challenge the City faces is maintaining an acceptable level of service to the community while meeting increased service demands with shrinking resources. To this end, the City has been exploring new ways of delivering programs and services through outsourcing with private companies and by exploring service consolidation opportunities with other public agencies.

Organizational Health and Fiscal Stability: In addition to controlling costs and finding new ways to deliver public services, the City has retained the services of Management Partners to develop a budget stabilization plan so that the City will be fiscally sustainable for many years to come.

Finally, the City has prepared a Seven Year Capital Improvement Program which serves as a guide for the efficient and effective planning of public improvements and facilities. The 2013-2020 Capital Improvement, which is updated annually, consists of 133 projects with a total estimated cost of \$258 million. A total of 50 projects totaling just over \$14 million are scheduled to be completed or started in fiscal year 2013-14.

All of these plans reflect the City Council's commitment to maintain or improve the City's infrastructure and to provide the citizens with the highest possible service

Budgetary Controls: The City maintains budgetary controls at the individual fund level. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The budget includes estimated revenues and appropriations for the City's funds categorized into six fund types including one general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds and all internal service funds are included in the annual appropriated budgets of the City. Using the City's automated accounting system, each City department's expenditures are restricted to the amount of that department's budgeted appropriations for the year at the object level. No department is allowed to spend more than its available appropriations. Changes in appropriations in excess of a department's total appropriation or fund balance or unrealized revenues must be approved by the City Council as a transfer from contingency reserve, transfer from another department, or as an appropriation of unanticipated or over realized revenue identified to a specific source. There is no "floor" in the level amount requiring approval.

Awards and Acknowledgments

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to government units that publish an easily readable and efficiently organized comprehensive annual financial report. A Certificate of Achievement is valid for a period of one year only. The City received this award for the fiscal year ended June 30, 2012. We believe our current comprehensive annual financial report meets the required criteria and we are submitting it to GFOA to determine its eligibility for a Certificate of Achievement and Excellence in Financial Reporting.

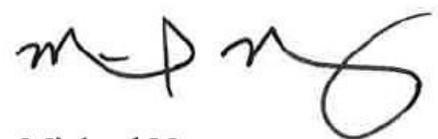
Acknowledgments: The preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department staff, as well as the audit firm of Haskell & White. All those who contributed to the preparation of this report deserve commendation for their dedication and hard work. We also wish to recognize the commitment of the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully submitted,



Troy Butzlaff, ICMA CM
City Administrator

Respectfully submitted,



Michael Nguyen
Interim Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Placentia
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

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**CITY OF PLACENTIA
PRINCIPAL OFFICIALS**

June 30, 2013

CITY COUNCIL

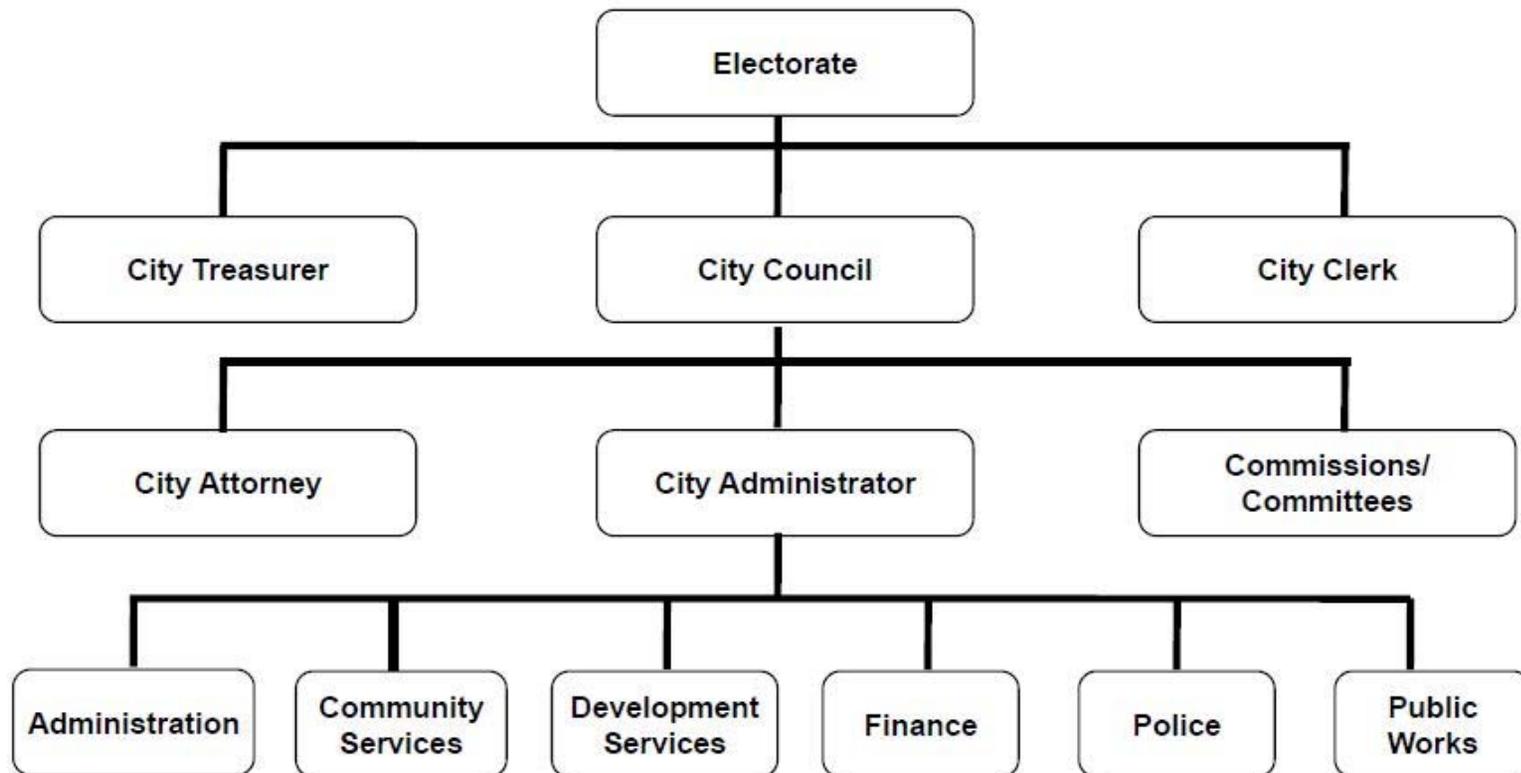
Scott Nelson	Mayor
Joseph V. Aguirre	Mayor Pro Tem
Jeremy B. Yamaguchi	Councilmember
Chad P. Wanke	Councilmember
Constance Underhill	Councilmember

CITY OFFICIALS

Craig S. Green	City Treasurer
Patrick J. Melia	City Clerk
Troy Butzlaff, ICMA-CM	City Administrator
Ken Domer	Assistant City Administrator
Andrew V. Arczynski	City Attorney
Stephen D. Pischel	Director of Administrative/ Community Services
Karen Ogawa	Director of Finance
Stephen F. Drinovsky	Director of Public Works
Rick Hicks	Police Chief



PLACENTIA MUNICIPAL ORGANIZATION



INDEPENDENT AUDITORS' REPORT

To the Honorable City Council of the City of Placentia
Placentia, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Placentia (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 14 and 76 through 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



HASKELL & WHITE LLP

Irvine, California
December 19, 2013

CITY OF PLACENTIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

This discussion and analysis section of the City of Placentia's ("City") comprehensive annual financial report provides a narrative overview of the City's financial activities for the fiscal year ended June 30, 2013. This information should be read in conjunction with the basic financial statements and the notes, which accompany the basic financial statements.

FINANCIAL HIGHLIGHTS

- Net assets, the amount by which total assets exceed total liabilities, equal \$78.8 million. The governmental activities had net assets of \$67.6 million and business-type activities had net assets of \$11.2 million.
- The City's total net assets increased by \$1.2 million over prior year totals. Of this amount, governmental activities contributed \$1.9 million less a small decline of \$0.7 million in business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7.3 million, a decrease of \$5.3 million in comparison with the prior year.
- At the end of the current fiscal year, general fund balance was \$5.8 million, or 23 percent of general fund expenditures, not including transfers, for the fiscal year.
- The general fund expenditures exceeded revenues, including transfers, by \$1.0 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements are presented in three parts:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

This section of the management's discussion and analysis is intended to introduce and explain the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to give the reader a picture of the City from the economic resources measurement focus using the accrual basis of accounting. This broad overview is similar to the financial reporting used in private-sector business. The government-wide financial statements have separate columns for governmental activities and business-type activities. Governmental activities of the City include general government (i.e., administration, City Council, personnel), public safety (i.e., police, fire protection through contract with Orange County Fire Authority), public works, community services, and community development. The City's business-type activities include refuse, compressed natural gas, and sewer maintenance. Governmental activities are

CITY OF PLACENTIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

primarily supported by taxes, charges for services and grants, while business-type activities are self-supporting through user fees and charges.

The Statement of Net Assets presents information on all of the City of Placentia's assets and liabilities; the difference between these two categories is reported as net assets.

These assets include the City's infrastructure and all assets previously included in the general fixed asset account group. Over time, increases or decreases in net assets may be one indicator of improvement or deterioration in the City's overall financial health.

The Statement of Activities presents information designed to show how the City's net assets changed during the year. This statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by specific functions (i.e., charges for services, grants and contributions) is compared to the expenses for those functions to show how much each function either supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of accounting, which requires that revenues are reported when earned and expenses are reported when incurred, regardless of when cash is received or disbursed.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. Funds are often set up in accordance with special regulations, restrictions or limitations. The City, like other state and local governments, uses fund accounting to ensure and show compliance with finance-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **Governmental Funds**

Governmental Funds are used to account for the governmental activities reported in the government-wide financial statements. Most of the City's basic services are included in governmental funds. The basis of accounting is different between the governmental fund statements and the government-wide financial statements.

The governmental funds focus on near term revenues/financial resources and expenditures, while the government-wide financial statements include both near term and long-term revenues/financial resources and expenses. The information in the governmental fund statements can be used to evaluate the City's near term financing requirements and immediate fiscal health. Comparing the governmental fund statements with the government-wide financial statements can help the reader better understand the long-term impact of the City's current year financing decisions. To assist in this comparison, reconciliations between the governmental fund statements and the government-wide financial statements are included with the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances.

CITY OF PLACENTIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

- **Proprietary Funds**

The City maintains two different types of Proprietary Funds. Enterprise Funds are used to report the same functions presented as business type activities in the government-wide financial statements. The City uses enterprise funds to account for refuse services, compressed natural gas station and sewer system activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The internal service funds primarily benefits the governmental activities and, therefore, the internal service fund information has been included with the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the refuse fund, compressed natural gas fund and sewer maintenance fund. Conversely, the internal service fund is shown as a separate reporting category on the proprietary funds report and in the supplementary information section of this report.

- **Fiduciary Funds**

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support the City's activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is important to a full understanding of the data in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements.

Other Information

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information. Required supplementary information may be found immediately following the notes to the financial statements. The combining statements for other governmental funds, the individual fund schedules, the internal service fund statements and agency-type fiduciary fund schedules are presented immediately following the required supplementary information.

CITY OF PLACENTIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

The statement of net assets can serve as a useful indicator of the City’s financial position. The City’s net assets at June 30, 2013 total \$78.8 million. Following is a condensed version of the government-wide statement of net assets.

NET ASSETS						
(in millions)						
	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
ASSETS						
Cash and investments	\$ 8.1	\$ 11.0	\$ 1.6	\$ 2.0	\$ 9.7	\$ 13.0
Other Assets	5.0	6.8	(2.0)	(2.4)	3.0	4.4
Capital Assets	83.8	79.8	12.3	12.7	96.1	92.5
Total Assets	<u>\$ 96.9</u>	<u>\$ 97.6</u>	<u>\$ 11.9</u>	<u>\$ 12.3</u>	<u>\$ 108.8</u>	<u>\$ 109.9</u>
LIABILITIES						
Current Liabilities	\$ 5.2	\$ 4.7	\$ 0.6	\$ 0.3	\$ 5.8	\$ 5.0
Long-term liabilities	24.1	27.2	0.1	0.1	24.2	27.3
Total Liabilities	<u>\$ 29.3</u>	<u>\$ 31.9</u>	<u>\$ 0.7</u>	<u>\$ 0.4</u>	<u>\$ 30.0</u>	<u>\$ 32.3</u>
NET ASSETS						
Invested in capital assets, net of related debt	\$ 73.5	\$ 70.6	\$ 12.3	\$ 12.8	\$ 85.8	\$ 83.4
Restricted	3.6	3.0	-	-	3.6	3.0
Unrestricted	<u>(9.5)</u>	<u>(7.9)</u>	<u>(1.1)</u>	<u>(0.9)</u>	<u>(10.6)</u>	<u>(8.8)</u>
Total Net Assets	<u>\$ 67.6</u>	<u>\$ 65.7</u>	<u>\$ 11.2</u>	<u>\$ 11.9</u>	<u>\$ 78.8</u>	<u>\$ 77.6</u>

The largest portion of the City’s net assets is attributable to the investment in capital assets. The majority of the liabilities are certificates of participation.

Changes in Net Assets

The changes in net assets table illustrates the increases or decreases in net assets of the City resulting from its operating activities. The City’s net assets increased approximately \$1.2 million in the fiscal year ended June 30, 2013. The increase was split between the governmental activities increase of \$1.9 million and business-type activities decrease by \$0.7 million.

Following is a condensed version of the City’s changes in net assets. The tables show the revenues, expenses, and related changes in net assets in tabular form for the governmental activities separate from the business-type activities.

CITY OF PLACENTIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

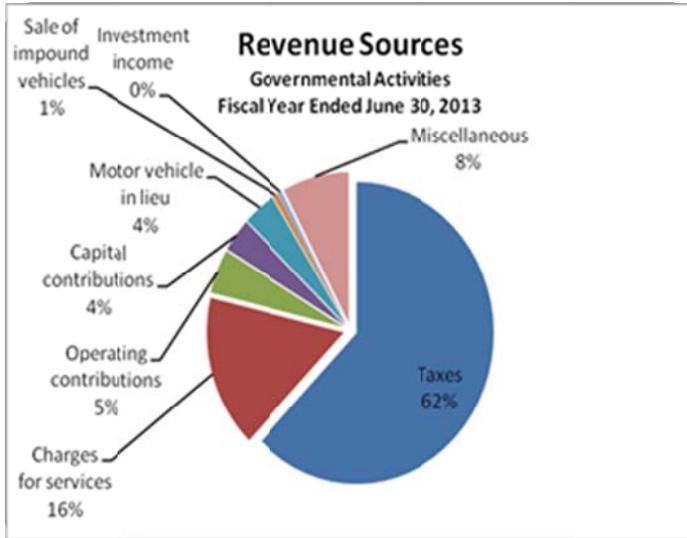
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	Change in Net Assets					
	(in millions)					
	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUES						
Program Revenues:						
Charges for services	\$ 5.7	\$ 6.0	\$ 4.0	\$ 3.7	\$ 9.7	\$ 9.7
Operating contributions and grants	1.7	2.1	-	-	1.7	2.1
Capital contribution and grants	1.2	1.6	-	-	1.2	1.6
General Revenues:						
Taxes	21.7	22.4	-	-	21.7	22.4
Motor vehicle in lieu	1.4	1.4	-	-	1.4	1.4
Sale of impound vehicles	0.2	0.3	-	-	0.2	0.3
Investment income	0.1	0.2	-	-	0.1	0.2
Miscellaneous	2.6	0.7	0.1	0.1	2.7	0.8
Total revenues	<u>\$ 34.6</u>	<u>\$ 34.7</u>	<u>\$ 4.1</u>	<u>\$ 3.7</u>	<u>\$ 38.7</u>	<u>\$ 38.5</u>
EXPENSES						
General government	\$ 10.4	\$ 10.8	\$ -	\$ -	\$ 10.4	\$ 10.8
Public safety	17.0	16.1	-	-	17.0	16.1
Public works	6.4	6.5	-	-	6.4	6.5
Community services	1.0	1.0	-	-	1.0	1.0
Redevelopment	-	0.7	-	-	-	0.7
Interest on long-term debt	0.7	1.4	-	-	0.7	1.4
Refuse	-	-	2.9	2.9	2.9	2.9
Compressed natural gas	-	-	0.2	0.1	0.2	0.1
Sewer maintenance	-	-	1.2	1.1	1.2	1.1
Total expenses	<u>\$ 35.5</u>	<u>\$ 36.6</u>	<u>\$ 4.3</u>	<u>\$ 4.1</u>	<u>\$ 39.8</u>	<u>\$ 40.7</u>
Increase in net assets before transfers	\$ (0.9)	\$ (1.8)	\$ (0.2)	\$ (0.3)	\$ (1.1)	\$ (2.1)
Transfers	\$ 2.8	\$ 10.9	\$ (0.5)	-	\$ 2.3	\$ 10.9
Change in net assets	<u>\$ 1.9</u>	<u>\$ 9.0</u>	<u>\$ (0.7)</u>	<u>\$ (0.3)</u>	<u>\$ 1.2</u>	<u>\$ 8.8</u>
Net assets, beginning of year	<u>\$ 65.7</u>	<u>\$ 56.6</u>	<u>\$ 11.9</u>	<u>\$ 12.2</u>	<u>\$ 77.6</u>	<u>\$ 68.9</u>
Net assets, end of year	<u>\$ 67.6</u>	<u>\$ 65.7</u>	<u>\$ 11.2</u>	<u>\$ 11.9</u>	<u>\$ 78.8</u>	<u>\$ 77.6</u>

CITY OF PLACENTIA

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

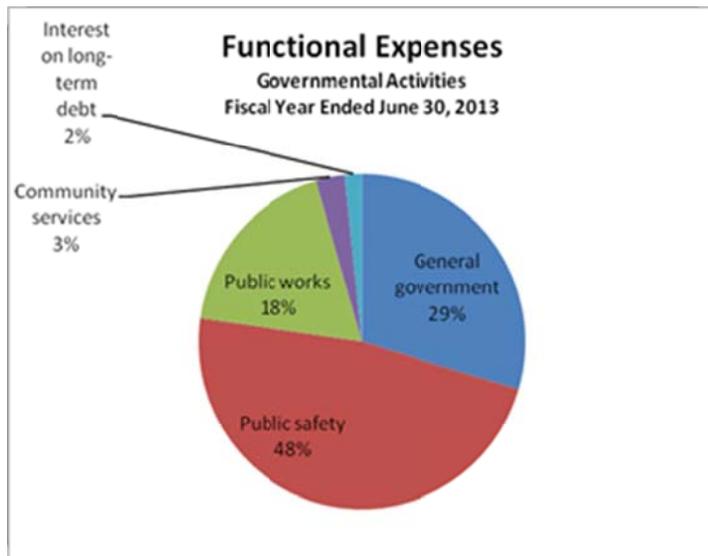
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



The total cost of all City programs and services during fiscal year ended June 30, 2013 was \$39.7 million. Public safety was the largest portion, accounting for 42% of the total expenditures. General government accounted for 26% and public works accounted for 16% of total expenditures. Business-type activities accounted for 11% of total expenditures.

The difference between the City’s total revenues and expenditures, \$1.2 million, represented the increase in total net assets for 2013.

Governmental activities contributed to \$1.9 of the increase in net assets. The revenues associated with governmental activities decreased by \$0.1 million compared to Fiscal Year 2011-12. The largest decreases in revenues as compared to the prior year were attributable to the extraordinary gain associated with the dissolution of the Redevelopment Agency.



The expenses associated with the governmental activities decreased by \$1.1 million compared to one year earlier. The major area which shows increases is public safety. Due to the dissolution of the Redevelopment Agency in the prior year, the total governmental activity expenses decreased. This resulted in all redevelopment expenses, including the interest on the long-term debt, being shown in the fiduciary funds.

Business-type activities had a \$0.7 million decrease in net assets compared to prior year decrease of \$0.3 million. The City is continuing to reduce operating expenses and investigating other revenue opportunities.

CITY OF PLACENTIA

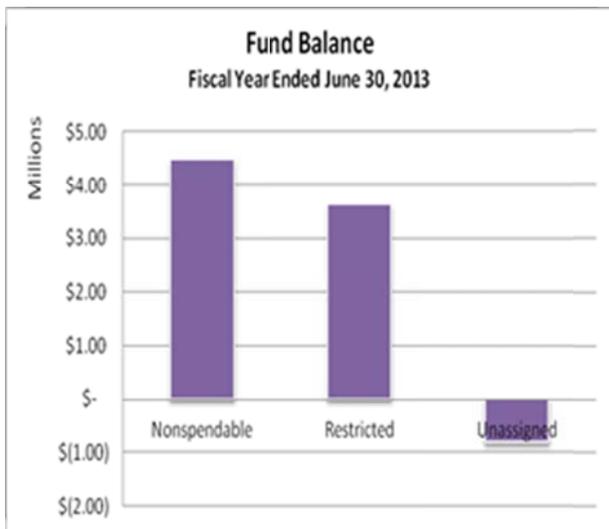
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on near term inflows, outflows and balance of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the assigned fund balance and unassigned fund balance may serve as a useful measurement of the government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$7.3 million, a decrease of \$5.3 million from the prior year.



Approximately \$4.5 million constitutes nonspendable fund balance, which is not available for spending because they are either (1) in a nonspendable form, such as prepaid items, inventories of supplies, loans receivable; or (2) legally contractually required to be maintained.

The restricted fund balance of \$3.6 million also reflects constraints on the use of resources that are either (1) externally imposed creditors, such as stated in the debt covenants, grantors contributors, laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts are classified as committed fund balance. Currently, the City has not taken such action and therefore there are no funds classified as committed fund balance as of June 30, 2013.

As of June 30, 2013, the City had no assigned fund balance.

The unassigned fund balance of \$(0.8 million) represents the portion of fund balance that does not fall into one of the other four fund balance categories. General fund represents \$1.4 million, which is offset against the non-major government funds of (\$2.2 million).

The general fund is the main operating fund of the City. As of June 30, 2013, fund balance of the general fund was \$5.8 million, which is a decrease of \$1.0 million from prior year. The decrease in fund balance was due to a higher than anticipated transfers to the internal service funds. The internal service funds include the activities of risk management, equipment replacement, and other citywide services.

CITY OF PLACENTIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS (CONTINUED)

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's major proprietary funds are the refuse fund, compressed natural gas fund and sewer maintenance fund. Net assets of the refuse fund, compressed natural gas fund and sewer maintenance fund at the end of the fiscal year amounted to \$11.2 million. The total change in net assets decreased \$0.6 million from the previous year.

Operating expenses exceeded operating revenues in all proprietary funds. The net decrease in net assets was primarily due to an increase in refuse operating expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund receives the most public attention since it is where local tax revenues are accounted for and where the most popular municipal services such as police and public works are funded.

Year-to-date revenues, including transfers in, totaled \$30.1 million. Total general fund revenues and transfers in were lower than their adjusted budget amounts by \$0.2 million. Miscellaneous revenue, including funds from settlements, and transfers in were the main contributors to this variance.

Expenditures, including transfers out, for the current fiscal year totaled \$31.1 million. Total general fund expenditures and transfers out were higher than their adjusted budget amounts by \$0.8 million. Transfers out to the internal service funds were the main contributor to this increase.

Although budget projections were an increase to fund balance, the City ended the fiscal year with a decrease of \$1.0 million to fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2013, totaled \$96.1 million, net of depreciation. These assets include buildings, infrastructure, land, machinery and equipment, park facilities, vehicles, and construction in process.

The City has an aggressive capital improvement program totaling over \$258.6 million over the next seven years (the City budgets its capital program in rolling 7-year increments). The City budgets these projects in six major categories: general government buildings, infrastructure and properties; streets, alleys and sidewalks; parks and recreation facilities; enterprise buildings, infrastructure and properties; and major development and infrastructure projects. Among these categories, the major

CITY OF PLACENTIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

projects include: \$277,000 for the Orangethorpe Grade Separations; \$269,000 for the Richfield Road Widening; \$232,000 for intersection improvements at Rose Drive and Yorba Linda Blvd; \$700,000 for the Valencia Avenue Rehabilitation; \$600,000 for the Bastanchury Road Rehabilitation; and \$325,000 for School Signs Compliance. A total of \$14.1 million is recommended to be appropriated in fiscal year 2013-14 to commence and/or complete 50 projects. All projects are City projects performed by the City and funded through City resources such as grants, bonds, or cooperative agreements with other agencies. For further detailed information see Note 6, Capital Assets.

	CAPITAL ASSETS					
	(in millions)					
	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
ASSETS						
Land	\$ 25.0	\$ 25.4	\$ -	\$ -	\$ 25.0	\$ 25.4
Land - Right of way	0.3	0.3	-	-	0.3	0.3
Infrastructure – trees	3.1	3.1	-	-	3.1	3.1
Construction in progress	1.5	1.1	-	-	1.5	1.1
Structures and improvements	8.4	8.1	12.3	12.6	20.7	20.7
Equipment	1.1	1.4	-	0.1	1.1	1.5
Infrastructure - streets network	29.3	24.6	-	-	29.3	24.6
Infrastructure - streets appurtenances	12.2	12.8	-	-	12.2	12.8
Infrastructure - storm drain	2.9	3.0	-	-	2.9	3.0
	<u>2.9</u>	<u>3.0</u>	<u>-</u>	<u>-</u>	<u>2.9</u>	<u>3.0</u>
Total Net Assets	<u>\$ 83.8</u>	<u>\$ 79.8</u>	<u>\$ 12.3</u>	<u>\$ 12.7</u>	<u>\$ 96.1</u>	<u>\$ 92.5</u>

Debt Administration

At the end of the current fiscal year, the City had total debt outstanding of \$14.7 million. For further detailed information see Note 8, Long-term Debt. The primary change in total debt outstanding was a result of the City paying down the principal balance in the amount of \$1.1 million and a transfer of the 2002 Series A Tax Allocation Bonds to the Successor Agency in the amount of \$2.6 million.

CITY OF PLACENTIA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Under requirements of the state of California, the City’s legal debt limit is 3.75% of its total assessed value. This limit is generally not applicable to bonds paid from enterprise funds, other lease revenue bonds, capital leases, compensated absences and outstanding claims. Accordingly, the debt limit at June 30, 2013 is \$182 million and is available for future general obligation debt issues.

LONG-TERM DEBT		
(in millions)		
	<u>2013</u>	<u>2012</u>
Certificates of participation	\$ 10.4	\$ 11.3
Tax allocation bonds	-	2.6
Lease revenue bonds	4.1	4.2
Capital Leases	0.2	0.3
Sub-total	<u>14.7</u>	<u>18.4</u>
Compensated absences	3.4	3.5
OCTA Advance	4.0	4.1
Net OPEB obligations	2.2	1.9
Claims payable - General liability	<u>3.0</u>	<u>1.8</u>
Total	<u>\$ 27.3</u>	<u>\$ 29.7</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

The annual budget for fiscal year ended June 30, 2014 presents a number of opportunities and challenges to improve overall service to the community while dealing with a severe economic downturn. By any standard this is a very aggressive program of work that will challenge the capacity of staff and the City Council to accomplish under the reduced revenue assumptions. The proposed general fund budget for fiscal year 2013-14 includes the following assumptions:

- Realization of reduced revenues as a result of current economic conditions.
- Decreases in operating expenditures consistent with the revenue forecasts.
- Maintenance of service levels and program to the extent possible and minimal reductions in service levels where appropriate.

Key budget assumptions for forecasting general fund revenues include the following:

- Key sectors of the local economy are showing signs of sustained growth.
- Unemployment rate continues to slowly drop compared to prior years.
- Employment in construction, wholesale trade, information, and professional services are expected to grow more than 20 percent between 2013 and 2017.
- Commercial real estate continues to show signs of recovery.
- Sales tax revenue will continue to grow by an estimated 2%; and
- Property tax revenues will grow by an estimated 2%.

CITY OF PLACENTIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)

In addition, the City anticipates the following key cost reduction measures and revenue enhancements to be fully implemented by the beginning of 2014:

- Reduced retirement costs as a result of negotiated changes in the amount certain employee groups pay towards their pension costs;
- Potential increase in lease revenue with the approval of agreement with an outdoor advertising company allowing the placement of advertising displays on City-owned property; and
- Reduction in departmental materials and supplies.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City's Finance Department at the City of Placentia, 401 East Chapman Avenue, Placentia, California 92870, or call (714) 993-8237 or visit our website at www.placentia.org.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF PLACENTIA

**STATEMENT OF NET ASSETS
JUNE 30, 2013**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 7,156,650	\$ 1,624,205	\$ 8,780,855
Cash and investments with fiscal agent	923,013	-	923,013
Receivables:			
Accounts (net of allowance for uncollectibles)	260,437	140,746	401,183
Taxes	1,886,641	138,656	2,025,297
Interest	6,682	-	6,682
Internal balances	2,326,274	(2,326,274)	-
Loans receivable	94,750	-	94,750
Deposits	100,228	-	100,228
Inventory of supplies	48,472	-	48,472
Total Current Assets	<u>12,803,147</u>	<u>(422,667)</u>	<u>12,380,480</u>
Noncurrent assets:			
Deferred costs of issuance	292,292	-	292,292
Capital Assets:			
Non-depreciable capital assets	29,930,196	-	29,930,196
Depreciable capital assets, net of accumulated depreciation	53,826,525	12,274,817	66,101,342
Total Capital Assets	<u>83,756,721</u>	<u>12,274,817</u>	<u>96,031,538</u>
Total Assets	<u>96,852,160</u>	<u>11,852,150</u>	<u>108,704,310</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,410,064	485,960	1,896,024
Payroll payable	437,922	14,960	452,882
Interest payable	175,116	-	175,116
Unearned revenue	-	75,000	75,000
Insurance claims payable, current	832,773	-	832,773
Compensated absences, current	1,023,709	36,225	1,059,934
Long-term debt, current	1,204,248	-	1,204,248
Total Current Liabilities	<u>5,083,832</u>	<u>612,145</u>	<u>5,695,977</u>
Noncurrent liabilities:			
Insurance claims payable	2,121,322	-	2,121,322
Compensated absences	2,256,098	79,830	2,335,928
Net OPEB obligation	2,198,487	-	2,198,487
OCTA advance	3,991,183	-	3,991,183
Long-term debt	13,517,172	-	13,517,172
Total Noncurrent Liabilities	<u>24,084,262</u>	<u>79,830</u>	<u>24,164,092</u>
Total Liabilities	<u>29,168,094</u>	<u>691,975</u>	<u>29,860,069</u>
NET ASSETS			
Invested in capital assets, net of related debt	73,580,798	12,274,817	85,855,615
Restricted:			
Special revenue	1,539,553	-	1,539,553
Capital projects	2,090,025	-	2,090,025
Total restricted	<u>3,629,578</u>	<u>-</u>	<u>3,629,578</u>
Unrestricted	(9,526,310)	(1,114,642)	(10,640,952)
Total Net Assets	<u>\$ 67,684,066</u>	<u>\$ 11,160,175</u>	<u>\$ 78,844,241</u>

See accompanying notes to basic financial statements

CITY OF PLACENTIA

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions	Capital Contributions
Governmental Activities				
General government	\$10,382,996	\$ 2,268,267	\$ -	\$ -
Public safety	16,965,096	1,569,924	127,867	-
Public works	6,417,458	1,539,216	1,528,134	1,256,352
Community services	1,011,063	316,560	-	-
Interest on long-term debt	673,596	-	-	-
Total Governmental Activities	<u>35,450,209</u>	<u>5,693,967</u>	<u>1,656,001</u>	<u>1,256,352</u>
Business-type Activities				
Refuse	2,933,438	2,748,549	-	-
Compressed natural gas	137,066	334,933	-	-
Sewer maintenance	1,143,607	876,570	-	-
Total Business-Type Activities	<u>4,214,111</u>	<u>3,960,052</u>	<u>-</u>	<u>-</u>
Total	<u>\$39,664,320</u>	<u>\$ 9,654,019</u>	<u>\$ 1,656,001</u>	<u>\$ 1,256,352</u>

General Revenues

Taxes:

- Property taxes
- Sales and use taxes
- Utility users tax
- Real property transfer tax
- Transient occupancy tax
- Franchise taxes
- Other taxes
- Motor vehicle in lieu
- Sale of impound vehicles
- Investment income
- Other
- Transfers in and out
- Total General Revenues and Transfers

Extraordinary gain -Housing Successor Agency (Note 23)

Change in Net Assets
 Net Assets at Beginning of Year
 Net Assets at End of Year

See accompanying notes to basic financial statements

<u>(Net Expense) Revenue and Changes in Net Assets</u>		
<u>Governmental</u>	<u>Business-type</u>	
<u>Activities</u>	<u>Activities</u>	<u>Total</u>
\$ (8,114,729)	\$ -	\$ (8,114,729)
(15,267,305)	-	(15,267,305)
(2,093,756)	-	(2,093,756)
(694,503)	-	(694,503)
(673,596)	-	(673,596)
<u>(26,843,889)</u>	<u>-</u>	<u>(26,843,889)</u>
-	(184,889)	(184,889)
-	197,867	197,867
-	(267,037)	(267,037)
-	(254,059)	(254,059)
<u>(26,843,889)</u>	<u>(254,059)</u>	<u>(27,097,948)</u>
11,388,950	-	11,388,950
4,159,853	-	4,159,853
2,863,211	-	2,863,211
163,136	-	163,136
787,645	-	787,645
2,185,826	-	2,185,826
47,389	-	47,389
1,359,054	-	1,359,054
208,943	-	208,943
161,722	5,495	167,217
2,604,458	75,000	2,679,458
247,679	(478,392)	(230,713)
<u>26,177,866</u>	<u>(397,897)</u>	<u>25,779,969</u>
2,580,000	-	2,580,000
1,913,977	(651,956)	1,262,021
65,770,089	11,812,131	77,582,220
<u>\$ 67,684,066</u>	<u>\$ 11,160,175</u>	<u>\$ 78,844,241</u>

See accompanying notes to basic financial statements

FUND FINANCIAL STATEMENTS

CITY OF PLACENTIA
GOVERNMENTAL FUNDS
JUNE 30, 2013

GENERAL FUND

The General Fund is required to be classified as a major fund and is used to account for all of the general revenues of the City of Placentia (the “City”) not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City. The General Fund is generally used to account for all resources not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes. The following Special Revenue Funds have been classified as major in the accompanying financial statements:

Street Lighting Fund – The Special Street Lighting District established the street lighting fund in certain areas of the City not covered by the County Lighting District. The revenue source is a special assessment on property owners.

Housing Successor Agency– This fund is used to account for balance of the former low and moderate income housing funds of the former Placentia Redevelopment Agency and revenues and expenditures related to such housing projects and programs.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Fund Types. The following Capital Projects fund has been classified as major in the accompanying fund financial statements:

City Capital Projects Fund – Used to account for financing and construction within the boundaries of the City.

CITY OF PLACENTIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Special Revenue	
		Street Lighting	Housing Successor Agency
ASSETS			
Cash and investments	\$ 632,644	\$ -	\$ 21,396
Cash and investments with fiscal agent	439,030	-	-
Accounts receivable	106,570	-	-
Taxes receivable	1,548,368	1,531	-
Interest receivable	6,682	-	-
Due from other funds	4,361,631	-	-
Loans receivable	6,000	-	88,750
Total Assets	<u>\$ 7,100,925</u>	<u>\$ 1,531</u>	<u>\$ 110,146</u>
LIABILITIES			
Accounts payable	\$ 570,387	\$ 29,419	\$ -
Payroll payable	420,207	-	-
Due to other funds	-	602,563	410,139
Deferred revenue	357,349	-	-
Total Liabilities	<u>1,347,943</u>	<u>631,982</u>	<u>410,139</u>
FUND BALANCE			
Nonspendable	4,367,631	-	88,750
Restricted	-	-	-
Unassigned	1,385,351	(630,451)	(388,743)
Total Fund Balances	<u>5,752,982</u>	<u>(630,451)</u>	<u>(299,993)</u>
Total Liabilities and Fund Balances	<u>\$ 7,100,925</u>	<u>\$ 1,531</u>	<u>\$ 110,146</u>

See accompanying notes to basic financial statements.

<u>Capital Projects</u>		
City Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 2,990,973	\$ 3,645,013
-	483,983	923,013
30,383	123,484	260,437
-	336,742	1,886,641
-	-	6,682
-	-	4,361,631
-	-	94,750
<u>\$ 30,383</u>	<u>\$ 3,935,182</u>	<u>\$ 11,178,167</u>
\$ 292,593	\$ 191,308	\$ 1,083,707
-	7,176	427,383
877,148	145,507	2,035,357
-	-	357,349
<u>1,169,741</u>	<u>343,991</u>	<u>3,903,796</u>
-	-	4,456,381
-	3,629,578	3,629,578
(1,139,358)	(38,387)	(811,588)
<u>(1,139,358)</u>	<u>3,591,191</u>	<u>7,274,371</u>
<u>\$ 30,383</u>	<u>\$ 3,935,182</u>	<u>\$ 11,178,167</u>

See accompanying notes to basic financial statements.

CITY OF PLACENTIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2013**

Fund Balances of Governmental Funds	\$ 7,274,371
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, were not reported in the funds:	
Governmental activities	83,477,412
Internal service funds capital assets allocated to governmental activities	279,309
Long-term liabilities, including insurance claims payable, applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Assets.	
Governmental activities	(14,721,420)
Compensated absences	(3,279,807)
OCTA advance	(3,991,183)
Internal service funds	(2,954,095)
Post employment benefits are paid on a pay-as-you-go basis which differs from the actuarially determined Annual Required Contribution ("ARC").	(2,198,487)
Issuance costs relating to long-term debt are recorded as expenditures in the governmental funds but are capitalized and amortized over the life of the debt in the Statement of Net Assets	
Unamortized issuance costs on certificates of participation	292,292
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(175,116)
Deferred revenue balances relating to certain loans receivable and accounts receivable are not reported as liabilities in the Statement of Net Assets since revenue recognition is not based upon measurable and available criteria.	357,349
The Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Funds must be added to the Statement of Net Assets.	<u>3,323,441</u>
Net Assets of Governmental Activities	<u><u>\$ 67,684,066</u></u>

See accompanying notes to basic financial statements.

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CITY OF PLACENTIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

		Special Revenue	
	General Fund	Street Lighting	Housing Successor Agency
REVENUES:			
Taxes:			
Property taxes	\$ 11,388,950	\$ -	\$ -
Sales and use taxes	5,518,907	-	-
Other taxes	3,183,996	-	-
Intergovernmental	127,867	-	-
Licenses and permits	1,210,722	-	-
Fines and forfeitures	468,229	-	-
Investment income (loss)	160,212	-	(5,826)
Charges for services	1,256,723	134,232	-
Lease revenue	1,008,269	-	37,312
Legal settlements	2,477,845	-	-
Miscellaneous	365,336	-	-
Total Revenues	27,167,056	134,232	31,486
EXPENDITURES:			
Current:			
General government	4,224,572	-	12,341
Public safety	16,502,295	-	-
Public works	2,988,582	371,600	-
Community development	876,047	-	-
Capital outlay	187	-	-
Debt Service:			
Principal	150,000	-	-
Interest	319,875	-	-
Total Expenditures	25,061,558	371,600	12,341
Excess (Deficiency) or Revenues Over (Under) Expenditures	2,105,498	(237,368)	19,145
OTHER FINANCING SOURCES (USES):			
Transfers in	2,905,919	-	-
Transfers out	(6,029,217)	-	(230,714)
Total Other Financing Sources (Uses)	(3,123,298)	-	(230,714)
Net Change in Fund Balances	(1,017,800)	(237,368)	(211,569)
Fund Balances, Beginning of Year	6,770,782	(393,083)	(88,424)
Fund Balances, End of Year	\$ 5,752,982	\$ (630,451)	\$ (299,993)

See accompanying notes to basic financial statements.

<u>Capital Projects</u>		
<u>City Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 11,388,950
-	-	5,518,907
-	2,863,211	6,047,207
30,383	2,985,546	3,143,796
-	-	1,210,722
-	373,716	841,945
-	7,341	161,727
-	409,520	1,800,475
-	-	1,045,581
-	-	2,477,845
3	708,269	1,073,608
<u>30,386</u>	<u>7,347,603</u>	<u>34,710,763</u>
-	38,247	4,275,160
-	343,103	16,845,398
6,856,342	609,471	10,825,995
-	135,016	1,011,063
84,334	152,745	237,266
110,110	205,000	465,110
-	274,994	594,869
<u>7,050,786</u>	<u>1,758,576</u>	<u>34,254,861</u>
<u>(7,020,400)</u>	<u>5,589,027</u>	<u>455,902</u>
7,741,207	1,424,958	12,072,084
<u>(276,004)</u>	<u>(11,291,314)</u>	<u>(17,827,249)</u>
<u>7,465,203</u>	<u>(9,866,356)</u>	<u>(5,755,165)</u>
444,803	(4,277,329)	(5,299,263)
<u>(1,584,161)</u>	<u>7,868,520</u>	<u>12,573,634</u>
<u>\$ (1,139,358)</u>	<u>\$ 3,591,191</u>	<u>\$ 7,274,371</u>

See accompanying notes to basic financial statements.

CITY OF PLACENTIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Net Change in Fund Balances - Total Governmental Funds \$ (5,299,263)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

Capital outlay	6,794,720
Depreciation expense, net of disposals	(2,236,678)
Loss on disposal of capital asset	(424,154)

Post employment benefits are paid on a pay-as-you-go basis which differs from the actuarially determined Annual Required Contribution (ARC). (322,380)

Reduction of principal for the 2003 Certificates of Participation. This debt issuance is recorded in the RDA Successor Agency fund, which is a trust and agency fund. However, the City is liable for this debt upon default, thus making it a debt of the city. The principal expense in the trust fund does not result in an expense in the Statement of Activities. 715,000

Repayment of long-term debt principal is an expenditure in the governmental funds and, thus, has the effect of reducing the fund balances because current financial resources have been used. For the City as a whole, however, the principal payments reduce the liabilities in the Statement of Net Assets and do not result in an expense in the Statement of Activities. 3,190,982

Accrued interest expense related to long-term liabilities. This amount is the difference between the amount of interest paid and the amount of interest incurred on long-term liabilities. 78,447

Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 214,387

The resulting discounts on issuance and issuance costs on debt are capitalized and amortized at the Statement of Net Assets.

Amoritzation of debt discounts	(8,914)
Amoritzation of debt issuance costs	(97,903)
Amortization of deferred refunding charge	(50,358)

Certain loans and grants receivable that have been accrued but not collected are reflected as deferred revenue in the governmental funds. However, earned revenue is recognized in the Statement of Activities, regardless of when the receivables were collected. (1,001,929)

Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenues (expenses) of the Internal Service Funds are reported with governmental activities. 362,020

Change in Net Assets of Governmental Activities \$ 1,913,977

See accompanying notes to basic financial statements.

CITY OF PLACENTIA

**PROPRIETARY FUNDS
JUNE 30, 2013**

MAJOR ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise.

The following Enterprise Funds have been classified as major funds:

Refuse Fund – To account for the provision of refuse services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, acquisition of equipment, and related debt service.

Compressed Natural Gas (CNG) Fund – To account for the activity of a compressed natural gas station located within the City.

Sewer Maintenance Fund – To account for the operations and maintenance of the sewer lines located in the City's sewer system, including administration and capital improvements. Fees are computed from water consumption amounts provided by local water companies. All residents and businesses connected to the City's sewer system are placed in billing categories based on a percentage of water consumption that is returned to the City sewer system.

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods and services provided by one City department to others, or to other governmental units, on a cost-reimbursement basis (including depreciation).

CITY OF PLACENTIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-type Activities		
	Refuse	CNG	Sewer Maintenance
ASSETS			
Current assets:			
Cash and investments	\$ -	\$ 223,669	\$ 1,400,536
Accounts receivable	-	140,746	-
Taxes receivable	35,572	-	103,084
Due from other funds	-	-	448,417
Deposits	-	-	-
Inventory of supplies	-	-	-
Total Current Assets	<u>35,572</u>	<u>364,415</u>	<u>1,952,037</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	-	-	12,274,817
Total Assets	<u>35,572</u>	<u>364,415</u>	<u>14,226,854</u>
LIABILITIES			
Current liabilities:			
Accounts payable	427,330	-	58,630
Payroll payable	6,306	-	8,654
Due to other funds	2,774,691	-	-
Unearned revenue	-	75,000	-
Compensated absences, current	16,599	-	19,626
Insurance claims payable, current	-	-	-
Total Current Liabilities	<u>3,224,926</u>	<u>75,000</u>	<u>86,910</u>
Noncurrent Liabilities:			
Compensated absences	36,579	-	43,251
Insurance claims payable	-	-	-
Total Noncurrent Liabilities	<u>36,579</u>	<u>-</u>	<u>43,251</u>
Total Liabilities	<u>3,261,505</u>	<u>75,000</u>	<u>130,161</u>
NET ASSETS			
Invested in capital assets	-	-	12,274,817
Unrestricted	<u>(3,225,933)</u>	<u>289,415</u>	<u>1,821,876</u>
Total Net Assets	<u>\$ (3,225,933)</u>	<u>\$ 289,415</u>	<u>\$ 14,096,693</u>

See accompanying notes to basic financial statements.

Business-type Activities	Governmental Activities
<u>Total</u>	Internal Service Funds
\$ 1,624,205	\$ 3,511,637
140,746	-
138,656	-
448,417	-
-	100,228
-	48,472
<u>2,352,024</u>	<u>3,660,337</u>
<u>12,274,817</u>	<u>279,309</u>
<u>14,626,841</u>	<u>3,939,646</u>
485,960	326,357
14,960	10,539
2,774,691	-
75,000	-
36,225	-
-	832,773
<u>3,386,836</u>	<u>1,169,669</u>
79,830	-
-	2,121,322
<u>79,830</u>	<u>2,121,322</u>
<u>3,466,666</u>	<u>3,290,991</u>
12,274,817	279,309
<u>(1,114,642)</u>	<u>369,346</u>
<u>\$ 11,160,175</u>	<u>\$ 648,655</u>

See accompanying notes to basic financial statements.

CITY OF PLACENTIA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Business-type Activities		
	Refuse	CNG	Sewer Maintenance
OPERATING REVENUES			
Reimbursements	\$ -	\$ 334,933	\$ -
Charges for services:			
Landfill	300,725	-	-
Contractor	2,447,824	-	-
Natural gas sales	-	-	-
Service charges	-	-	876,570
Miscellaneous	-	-	-
Total Operating Revenues	2,748,549	334,933	876,570
OPERATING EXPENSES			
Administration	154,817	-	19,923
Reinsurance premiums	-	-	-
Claims	-	-	-
Medical and dental premiums	-	-	-
Liability insurance premiums	-	-	-
Maintenance	270,197	58,252	610,502
Depreciation expense	-	78,814	513,182
Landfill and contractor charges	2,508,424	-	-
Total Operating Expenses	2,933,438	137,066	1,143,607
Operating Loss	(184,889)	197,867	(267,037)
NON-OPERATING REVENUES (EXPENSES)			
Lease revenue	-	75,000	-
Investment income	633	109	4,753
Total Non-Operating Revenues	633	75,109	4,753
Income (loss) before transfers	(184,256)	272,976	(262,284)
Transfers in	-	-	-
Transfers out	-	-	(478,392)
Total transfers	-	-	(478,392)
Change in Net Assets	(184,256)	272,976	(740,676)
Fund Net Assets at Beginning of Year	(3,041,677)	16,439	14,837,369
Fund Net Assets at End of Year	\$ (3,225,933)	\$ 289,415	\$ 14,096,693

See accompanying notes to basic financial statements.

<u>Business-type Activities</u>	<u>Governmental Activities</u>
<u>Total</u>	<u>Internal Service Funds</u>
\$ 334,933	\$ 82,282
300,725	-
2,447,824	-
-	-
876,570	-
<u>-</u>	<u>30,392</u>
<u>3,960,052</u>	<u>112,674</u>
174,740	2,601,499
-	145,087
-	1,218,516
-	991,397
-	598,328
938,951	-
591,996	198,671
2,508,424	-
<u>4,214,111</u>	<u>5,753,498</u>
<u>(254,059)</u>	<u>(5,640,824)</u>
75,000	-
5,495	-
<u>80,495</u>	<u>-</u>
<u>(173,564)</u>	<u>(5,640,824)</u>
-	6,002,844
<u>(478,392)</u>	<u>-</u>
<u>(478,392)</u>	<u>6,002,844</u>
(651,956)	362,020
<u>11,812,131</u>	<u>286,635</u>
<u>\$ 11,160,175</u>	<u>\$ 648,655</u>

See accompanying notes to basic financial statements.

CITY OF PLACENTIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities		
	Refuse	CNG	Sewer Maintenance
Cash Flows from Operating Activities:			
Cash received from customers	\$ 2,782,637	\$ 286,668	\$ 863,607
Cash payments to suppliers for goods and services	(2,514,231)	(63,541)	(336,492)
Cash payments to employees	(217,677)	-	(266,106)
Net Cash Provided By (used for) Operating Activities	50,729	223,127	261,009
Cash Flows from Non-Capital Financing Activities:			
Cash received from other funds	-	-	-
Cash paid to other funds	(289,181)	-	(430,326)
Net Cash Provided By (used for) Non-Capital Financing Activities	(289,181)	-	(430,326)
Cash Flows used for Capital Financing Activities:			
Acquisition of equipment	-	-	(180,780)
Cash Flows from Investing Activities:			
Interest received on investments	633	109	4,753
Net Increase (Decrease) in Cash and Cash Equivalents	(237,819)	223,236	(345,344)
Cash and Cash Equivalents at Beginning of Year	237,819	433	1,745,880
Cash and Cash Equivalents at End of Year	\$ -	\$ 223,669	\$ 1,400,536
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Operating loss	\$ (184,889)	\$ 197,867	\$ (267,037)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	-	78,814	513,182
Nonoperating revenue	-	75,000	-
(Increase) decrease in accounts receivable	34,088	(123,265)	(12,963)
(Increase) decrease in due from other governments	-	-	-
(Increase) decrease in deposits	-	-	-
(Increase) decrease in inventory of supplies	-	-	-
Increase (decrease) in accounts payable	210,592	(5,289)	31,522
Increase (decrease) in payroll payable	728	-	242
Increase (decrease) in deferred revenue	-	-	-
Increase (decrease) in compensated absences payable	(9,790)	-	(3,937)
Increase (decrease) in insurance claims payable	-	-	-
Total Adjustments	235,618	25,260	528,046
Net Cash Provided By (Used for) Operating Activities	\$ 50,729	\$ 223,127	\$ 261,009

See accompanying notes to basic financial statements.

Business-type Activities	Governmental Activities
Total	Internal Service Funds
\$ 3,932,912	\$ 101,118
(2,914,264)	(4,029,941)
<u>(483,783)</u>	<u>(437,815)</u>
<u>534,865</u>	<u>(4,366,638)</u>
-	6,002,844
<u>(719,507)</u>	<u>-</u>
<u>(719,507)</u>	<u>6,002,844</u>
<u>(180,780)</u>	<u>-</u>
<u>5,495</u>	<u>-</u>
(359,927)	1,636,206
<u>1,984,132</u>	<u>1,875,431</u>
<u>\$ 1,624,205</u>	<u>\$ 3,511,637</u>
<u>\$ (254,059)</u>	<u>\$ (5,640,824)</u>
591,996	198,671
75,000	-
(102,140)	277
-	-
-	(11,833)
-	1,038
236,825	49,909
970	61,390
-	-
(13,727)	-
<u>-</u>	<u>974,734</u>
<u>788,924</u>	<u>1,274,186</u>
<u>\$ 534,865</u>	<u>\$ (4,366,638)</u>

See accompanying notes to basic financial statements.

CITY OF PLACENTIA

FIDUCIARY FUNDS

The Agency Funds are used to account for funds when the City is acting as an agent for other governmental units, private organizations or individuals.

RDA Successor Agency Private Purpose Trust Fund (“RDA Successor Agency”) is used to account for monies received from the Orange County Auditor Controller for the repayment of the enforceable obligations of the former Placentia Redevelopment Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Obligation Payment Schedule (“ROPS”). See Note 23 for more details.

CITY OF PLACENTIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2013

	Agency Funds	RDA Successor Agency Fund
ASSETS		
Cash and investments	\$ 3,623,875	\$ (60,625)
Cash and investments with fiscal agent	1,880,426	1,351,808
Taxes receivable	25,586	-
Cost of issuance of bonds, net	-	20,642
Total Assets	5,529,887	1,311,825
LIABILITIES		
Accounts payable	-	13,717
Interest payable	-	372,944
Due to other governments	165,693	991,314
Deposits payable	5,364,194	-
Long-term liabilities:		
Due within one year	-	7,011,015
Due in more than one year	-	6,115,000
Total Liabilities	5,529,887	14,503,990
Net assets		
Held in trust for the retirement of obligations of the former Placentia Redevelopment Agency (Note 23)	\$ -	\$ (13,192,165)

See accompanying notes to basic financial statements.

CITY OF PLACENTIA

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
CITY OF PLACENTIA AS RDA SUCCESSOR
AGENCY PRIVATE PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>RDA Successor Agency Private Purpose Trust Fund</u>
Additions	
Property taxes	\$ 2,021,722
Investment income	35,147
Lease revenue	997,586
Total Additions	<u>3,054,455</u>
Deductions	
Program expenses of the former redevelopment agency	4,434,479
Interest and fiscal agency expenses of former redevelopment agency	1,241,058
Amortization of tax allocation note issuance costs	70,771
Adjustment on discount of bonds payable	23,983
Total Deductions	<u>5,770,291</u>
Transfer In	<u>230,714</u>
Change in net assets	(2,485,122)
Net assets - beginning	<u>(10,707,043)</u>
Net assets - ending	<u>\$ (13,192,165)</u>

See accompanying notes to basic financial statements.

CITY OF PLACENTIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Placentia, California (the “City”) have been prepared in conformity with generally accepted accounting principles (“GAAP”), as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant City accounting policies are described below.

A. Reporting Entity

The City of Placentia was incorporated December 2, 1926. The City operates under an elected Council/City Manager form of government and under provisions of a City Charter adopted on June 29, 1965.

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization’s governing body, and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City’s financial statements to be misleading or incomplete.

The two methods of reporting component unit data in the combined financial statements are blended and discrete presentation. Blending is limited exclusively to when the board of the component unit is substantively the same as that of the City or if the component unit serves the City exclusively, or almost exclusively.

Blended component units, although legally separate entities, are in substance, part of the government’s operations. Data from these units are combined with data of the City. Component units that do not meet one of the two criteria for blending presented component units are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government. Similar to the City, each blended component unit has a June 30 year-end. The City does not report any discretely presented component units.

Brief description of the City’s blended component unit is as follows:

The Placentia Public Financing Authority (the “PFA”) was formed in 1996 to issue Special Tax Revenue Bonds. The proceeds of the debt refunded the existing Mello-Roos Community Facilities District 89-1 bonds originally issued in September 1996.

Since the City Council serves as the governing board for this component unit, they are considered to be a blended component unit.

The Public Financing Authority did not have any financial activity during the 2012-2013 fiscal year, and therefore, is not presented in the financial statements.

CITY OF PLACENTIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Types

The following is a summary of the fund types utilized by the City:

Governmental Fund Types

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenditures and capital improvement costs which are not paid through other funds.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Fund Types.

Proprietary Fund Types

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds are used to account for the financing of goods or services provided by one department of the City to other departments on a cost-reimbursement basis.

Fiduciary Fund Types

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. The City's Fiduciary Funds represent Agency Funds and the Private Purpose Trust Fund. The Agency Funds are used to account for assets held by the City as an agent for individuals or private organizations, other governmental units and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The Private Purpose Trust Fund is used to account for non-housing activities of the RDA Successor Agency to the Placentia Redevelopment Agency.

The Placentia Redevelopment Agency was established on December 7, 1982, pursuant to the State of California Health and Safety Code Section 33000 entitled, "Community Redevelopment Law." Although it was a legally separate entity from the City, the Redevelopment Agency was reported as if it were part of the City because of its purpose was to encourage private redevelopment of property and to rehabilitate areas suffering from economic blight within the territorial limits of the City. The Redevelopment Agency was dissolved on February 1, 2012, resulting in all assets and liabilities being transferred to the RDA Successor Agency. See Note 23 for further discussion.

CITY OF PLACENTIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting

The Basic Financial Statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Financial reporting is based upon all GASB pronouncements, as well as the Financial Accounting Standards Board “FASB” Statements and Interpretations, Accounting Principles Board “APB” Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions were recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services, special assessments, and payments made by parties outside the reporting government’s citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditure.

CITY OF PLACENTIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds, proprietary funds, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City generally considers revenues available if they are collected within sixty days after the fiscal year-end. Significant revenues subject to accrual under the measurable and available criteria include property taxes and sales taxes.

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e. the related goods or services are provided). Locally imposed, derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

CITY OF PLACENTIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental Funds (Continued)

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered “available spendable resources” since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of long-term receivables are either deferred or are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as another financing source rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted resources as they are needed.

Proprietary Funds

The City’s Enterprise and Internal Service Funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing goods and services related to the fund’s ongoing operations. The principal operating revenue of the City’s proprietary funds are charges for services, departmental charges and reimbursements. Operating expenses include the cost of services provided, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary funds financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the proprietary funds financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the proprietary funds are reported as a reduction of the related liability, rather than as expenditure.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Major Funds

The City reports the following major governmental funds:

General Fund – Used to account for all of the general revenues of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City. The General Fund is generally used to account for all resources not required to be accounted for in another fund.

Street Lighting Fund – The Special Street Lighting District established the street lighting fund in certain areas of the City not covered by the County Lighting District. The revenue source is a special assessment on property owners.

Housing Successor Agency– This fund is used to account for balance of the former low and moderate income housing funds of the former Placentia Redevelopment Agency and revenues and expenditures related to such housing projects and programs.

The City reports the following major capital projects fund:

City Capital Projects Fund – Used to account for financing and construction within the boundaries of the City.

The City reports the following major enterprise funds:

Refuse Fund – Used to account for the provision of refuse services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, acquisition of equipment, and related debt service.

Compressed Natural Gas (CNG) Fund – To account for the activity of a compressed natural gas station located within the City.

Sewer Maintenance Fund – To account for the operations and maintenance of the sewer lines located in the City's sewer system, including administration and capital improvements. Fees are computed from water consumption amounts provided by local water companies. All residents and businesses connected to the City's sewer system are placed in billing categories based on a percentage of water consumption that is returned to the City sewer system.

E. Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain investment agreements that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. The fair value of the investments is generally based on published market prices and quotations.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments (Continued)

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments or as negative cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

F. Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of three months or less.

G. Inventories

Inventories consist primarily of fuel. The inventories are stated at cost using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby the costs are capitalized and subsequently recorded as expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute available spendable resources.

H. Deferred Costs of Issuance and Amortization of Discounts

Deferred costs of issuance represent bond issue cost and underwriter's discounts incurred with the issuance of long term debt obligations. Costs of \$292,293 net of transfers and accumulated amortization, are reflected on the Statement of Net Assets. Cumulative adjustments of \$70,771 were transferred to the RDA Successor Agency. Deferred financing costs are being amortized on a straight-line basis over the life of the related debt. Amortization expense of \$27,130 for the fiscal year ended June 30, 2013 has been included in the General Government activity within the Statement of Activities.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets

Capital assets are recorded at historical cost at the time of purchase. Assets acquired from gifts or contributions are recorded at fair value on the date received. Generally, capital asset purchases in excess of \$2,500 are capitalized if they have an expected useful life of 1 year or more. Capital assets include public domain (infrastructure) capital assets consisting of certain street improvements. Capital assets used in operations are depreciated in the government-wide financial statements and in the fund financial statements of the proprietary funds. Depreciation of such assets is computed using the straight-line method over the estimated useful lives noted below and is charged to operations:

Asset Type	Years
Structures and improvements	5 to 50
Civic Center structures and improvements	50
Automotive equipment	2 to 10
Computer equipment	3
Other equipment	5
Infrastructure	
Roadways	35
Street appurtenances	10 to 50
Wastewater	50 to 60
Storm drain	50

J. Compensated Absences

In accordance with GASB Statement No. 16, a liability is recorded for compensated absences (unpaid vacation, sick leave and compensatory time) since the employees’ entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

The City has compensated absences of regular vacation (for all departments) and sick leave (for selected departments based on contractual agreements) which are accrued as earned. The City’s liability for vested and unpaid compensated absences that exceed expendable available financial resources for governmental fund types is reported in the Government-Wide Financial Statements.

Compensated absences liabilities of governmental activities are generally liquidated by the General Fund, while the amounts recorded in the business-type activities are liquidated by the fund that originally incurred the expense.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Interest Payable

In the Government-Wide Financial Statements, interest payable of long-term debt is recognized as the liability is incurred for Governmental Fund types and Proprietary Fund types.

In the Fund Financial Statements, Proprietary Fund types recognize the interest payable when the liability is incurred.

L. Deferred Revenue

Deferred revenue represents receivables at year-end that will not be collected soon enough to finance current year expenditures, and grant reimbursement revenue received in advance of the recognition of a related fund expenditure. The General Fund reported \$357,349 of deferred revenue.

M. Long-Term Obligations

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value and can increase the property tax rate no more than 2 percent per year. The property taxes go into a pool and are then allocated to the cities based on complex formulas. The City of Placentia accrues only those taxes which are received from the county within 60 days of the year end.

Lien date	January 1
Levy date	July 1
Collection dates	December 11 and April 11

O. Interfund Transfers, Administrative and Overhead Charges

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Net Assets

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, net assets are classified in the following categories:

Invested in Capital Assets, net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets– This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets”.

Q. Fund Balances

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City and a formal resolution is required for committing a fund balance.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the City Administrator and the Director of Finance for that purpose. A formal notice from either official is required to assign a fund balance.

Unassigned – This category is for any balances that have no restrictions placed upon them.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

CITY OF PLACENTIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses, during the reporting period. Actual results could differ from those estimates.

S. Lease Receivable – Reimbursement Agreement with the City of Placentia

Debt service for the outstanding 2003 Certificates of Participation (“COP”) is funded from rents paid by the City to the RDA Successor Agency based upon an agreement dated May 1, 2003. This agreement specifies that based upon a previous resolution, construction of the 1994 Project was of benefit to the amended project area. Accordingly it was subsequently determined that 87.52 percent of the additional capital improvements and facilities and related costs funded as part of the May 2003 Project and the November 2003 Project are of substantial benefit to the project area. The City has covenanted to make rental payments for the full amount of the debt service payment; and the RDA Successor Agency has covenanted to reimburse the City of the 87.52 percent of the debt service payment. As more fully described at Note 23, the Placentia Redevelopment Agency was dissolved as of February 1, 2012, the assets and liabilities of the former Placentia Redevelopment Agency were transferred to the RDA Successor Agency. The full amount of the 2003 COP debt is included in the Government-Wide Statement of Net Assets (Note 8). The City will continue to be reimbursed annually by the RDA Successor Agency for its 87.52 percent of the debt service payment.

T. Rental Properties

The RDA Successor Agency owns several properties which it rents on a temporary basis until the original projects begin construction. Additionally, the RDA Successor Agency collects rental income on properties owned by the City as the intent of Management was that the RDA Successor Agency receives the rental benefits of those properties until such time construction projects begin. Before the dissolution of the former Placentia Redevelopment Agency at February 1, 2012, rental income was presented as lease revenue in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance. After the dissolution of the former redevelopment agency, rental income for the Low and Moderate Income Housing fund is presented in the Housing Successor Agency fund and rental income for other redevelopment funds are presented in the RDA Successor Agency Private Trust fund. See Note 23 for more details.

U. Economic Factors and Budgeting Process

Management projects that structural deficits will continue for at least the next two fiscal years absent substantial corrective action. The City has hired a fiscal consultant to make recommendations to help solve and stabilize its finances. The City's ability to stabilize its finances following several years of budget reductions and revenue enhancements remains uncertain, and that further budget cuts would be contingent on concessions from bargaining units, major restructuring of City services, and the City's ability to generate new revenues. Between fiscal years 2008 and 2012, the City relied heavily on one-time revenues to improve its financial position, and made substantial expenditure reductions in an effort to align ongoing costs with stagnant revenues.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2013, are classified as follows:

Statement of Net Assets:	
Governmental Activities:	
Cash and investments	\$ 7,156,650
Cash and investments held with fiscal agent	923,013
Business-Type Activities:	
Cash and investments	1,624,205
Fiduciary Funds Statement of Assets and Liabilities:	
Cash and investments	3,563,250
Cash and investments held with fiscal agent	3,232,234
Total Cash and Investments	<u>\$ 16,499,352</u>

Cash and investments as of June 30, 2013 consisted of the following:

Petty cash	\$ 17,790
Demand deposits	(38,403)
Total Cash	<u>(20,613)</u>
Investments	12,364,718
Investments held with fiscal agent	4,155,247
Total Investments	<u>16,519,965</u>
Total Cash and Investments	<u>\$ 16,499,352</u>

A summary of the cash and investment in the Statement of Net Assets is as follows:

Statement of Net Assets:	
Cash and investments	\$ 8,780,855
Cash and investments with fiscal agent	923,013
Fiduciary Funds Statement of Assets and Liabilities:	
Cash and investments	3,563,250
Cash and investments with fiscal agent	3,232,234
Total Cash and Investments	<u>\$16,499,352</u>

Investments Authorized by the California Government Code and the City’s Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City’s investment policy. The table also identifies certain provisions of the California Government Code (or the City’s investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. A separate table addresses investments of debt proceeds that are held by fiscal agents. Those investments are governed by the provisions of debt agreements rather than the general provisions of the California Government Code or the City’s investment policy.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investment Types Authorized by State Law	Authorized by City Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	30%	15%
Banker's Acceptances	Yes	180 days	30%	30%
Commercial Paper	No	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	180 days	30%	None
Repurchase Agreements	Yes	30 days	30%	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	No	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (Other Investment Pools)	No	N/A	None	None

Investment Authorized by Debt Agreements

Investments of debt proceeds held by fiscal agent are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are generally authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	360 days	None	None
Commercial paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Certificates of Deposit	None	None	None
Municipal Obligations	None	None	None
Investment Agreements	None	None	None
Repurchase Agreements	30 days	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Other State-Administered Investment Pools	N/A	None	None

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the City’s investments (including investments held by fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity:

Investment Type	Fair Value	Maturity	
		12 Months or Less	Greater Than 12 Months
<i>Cash and investments:</i>			
Local Agency Investment Fund	\$ 12,364,718	\$ 12,364,718	\$ -
<i>Cash and investments with fiscal agents:</i>			
Money market mutual funds	3,026,764	3,026,764	-
FNMA discount notes	556,983	556,983	-
Investment agreement	571,500	-	571,500
	<u>\$ 16,519,965</u>	<u>\$ 15,948,465</u>	<u>\$ 571,500</u>

Disclosure Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City’s investment policy or debt agreements and the actual rating as of year-end for each investment type.

Investment Type	Fair Value	Minimum Legal Rating	Ratings	
			AAA	Unrated
<i>Cash and investments:</i>				
Local Agency Investment Fund	\$ 12,364,718	N/A	\$ -	\$ 12,364,718
<i>Cash and investments with fiscal agents:</i>				
Money market mutual funds	3,026,764	AAA	3,026,764	-
FNMA discount notes	556,983	N/A	-	556,983
Investment agreement	571,500	N/A	-	571,500
	<u>\$ 16,519,965</u>		<u>\$ 3,026,764</u>	<u>\$ 13,493,201</u>

CITY OF PLACENTIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 2 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

There are no investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5 percent or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. At June 30, 2013, the balances held in bank accounts collateralized by the pledging financial institution, but not in the City's name, were in excess of federal depository insurance limits.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund ("LAIF") that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is not registered with the Securities and Exchange Commission. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The total amount invested by all public agencies in LAIF as of June 30, 2013 was \$21.2 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2013 had a balance of \$58.8 billion, of that amount, 1.96% was invested in medium-term and short-term structured notes and asset-backed securities. The weighted average maturity of PMIA investments was 278 days as of June 30, 2013. The LAIF rate of return for the year ending June 30, 2013 was 0.307 percent.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 3 – INTERFUND TRANSACTIONS

Due To/From Other Funds

Due to Other Funds	Due From Other Funds		Total
	Governmental Funds	Proprietary Funds	
	General Fund	Sewer Maintenance	
Governmental Funds:			
Housing Successor Agency	\$ 410,139	\$ -	\$ 410,139
City Capital Projects	824,187	52,962	877,149
Street Lighting	217,926	384,636	602,562
Non Major Funds	145,507	-	145,507
Proprietary Funds:			
Refuse	2,763,872	10,819	2,774,691
Total	\$ 4,361,631	\$ 448,417	\$ 4,810,048

These balances, except for the amount due from the refuse fund to the general fund, represent short-term borrowings resulting from expenditures incurred prior to receipt of the related revenue source.

The amount due from the refuse fund to the general fund represents franchise fees collected by the refuse fund, but not remitted to the general fund in prior periods. Terms of a reimbursement agreement require the repayment of the franchise fees over a 10 year period at \$300,000 annually.

Interfund Transfers

Transfers-Out	Transfers-In				Total
	Governmental Funds		Proprietary Funds	Agency Funds	
	General Fund	Non-Major Governmental Funds	Internal Service Funds	RDA Successor Agency Fund	
Governmental Funds:					
General Fund	\$ -	\$ 26,374	\$ 6,002,843	\$ -	\$ 6,029,217
Housing Successor Agency	-	-	-	230,714	230,714
City Projects Fund	-	276,004	-	-	276,004
Non-Major Governmental Funds	2,905,919	8,385,395	-	-	11,291,314
Proprietary Funds:					
Sewer Maintenance	-	478,392	-	-	478,392
Total	\$ 2,905,919	\$ 9,166,165	\$ 6,002,843	\$ 230,714	\$ 18,305,641

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the general fund to support internal service costs in accordance with budgetary authorizations.

CITY OF PLACENTIA

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 4 – LOANS RECEIVABLE

Loans receivable consisted of the following:

The Placentia Redevelopment Agency provided loans to persons or families of low or moderate income under its First-Time Home Buyer and New Construction Programs for the purpose of increasing, improving or preserving the Placentia Redevelopment Agency's supply of low and moderate income housing. The First-Time Buyer Program was designed for low and moderate income home buyers who are residents of the City and who would use the house as their principal place of residence. Assistance was provided through a mortgage interest subsidy, a deferred second trust deed or down payment assistance. The New Construction Program provides funds for the construction of either rental units or owner-occupied units. The occupants of the units must meet required income guidelines. Loans under these programs were recorded in the Housing Successor Agency Fund, formerly Low and Moderate Housing Fund. Management was not able to find the loan agreements or detail that made up the remaining loans receivable balance at June 30, 2013. As such, the City set up an allowance for the full amount of the loan receivable balance.

	\$ 217,178
	<u>(217,178)</u>
	-

The Placentia Redevelopment Agency entered into an owner participation agreement dated January 5, 2001. Pursuant to that agreement, the Agency loaned \$150,000 to a businessman in Placentia. The term of the loan is 30 years and does not bear interest, except upon default. The loan was recorded in the Low and Moderate Housing Fund. Upon the dissolution of the Redevelopment Agency at February 1, 2012, the outstanding loan receivable balance was transferred to the Housing Successor Agency Fund, formerly Low and Moderate Housing Asset Special Revenue Fund. During 2013, the City received \$7,309 in principal payments.

	88,750
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During 2006, the City provided three down-payment assistance loans in the amount of \$18,000, for a total of \$54,000, to employees as part of an incentive program. The loans do not accrue any interest and 1/10th of the loan is forgiven annually. During 2013, only one of the three loans remained and \$2,000 of the remaining loan was forgiven by the City (See Note 22).

	<u>6,000</u>
	<u><u>\$ 94,750</u></u>

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 5 – HOUSING AND URBAN DEVELOPMENT LOAN PROGRAM

The City has Housing and Urban Development (“HUD”) funds available with the County of Orange to provide housing rehabilitation loans to eligible applicants. As loan applications are received, cash advances are requested from the County and deposited in an interest bearing savings account. Under one loan arrangement, the City approves the loan, disburses separate bank funds to the loan participant, and transfers the HUD funds from the interest-bearing account to a non-interest bearing account which is collateral for the loans. Under a second arrangement, the City disburses the HUD funds directly for participant loans. The only collateral for these loans is the note receivable on each property, secured by a trust deed.

All cash advances from HUD are reflected in the H.C.D. Rehabilitation Loans Agency Fund. During 2013, \$4,680 was written off. The City was not able to find the loan agreements or detail that made up the remaining loans receivable balance at June 30, 2013. As such the City set up an allowance for the full amount of the loan receivable balance in the amount of \$129,621 at June 30, 2013. At June 30, 2013, the fund reflected the following balances:

Cash in interest bearing account	<u><u>\$ 165,693</u></u>
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CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 6 – CAPITAL ASSETS

A summary of capital asset activity for the year ended June 30, 2013, is as follows:

<u>Governmental Activities:</u>	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
Capital Assets Not Being Depreciated:				
Land	\$ 25,420,835	\$ -	\$ (424,094)	\$ 24,996,741
Land-Right of Way	258,822	-	-	258,822
Infrastructure-Trees	3,114,540	-	-	3,114,540
Construction in Progress:				
Streets network	<u>1,081,272</u>	<u>6,866,501</u>	<u>(6,387,680)</u>	<u>1,560,093</u>
Total Capital Assets Not Being Depreciated	<u>29,875,469</u>	<u>6,866,501</u>	<u>(6,811,774)</u>	<u>29,930,196</u>
Capital Assets, Being Depreciated:				
Structures and improvements	11,885,893	552,883	(3,044)	12,435,732
Equipment	5,177,772	88,417	(278,492)	4,987,697
Land improvements	890,338	-	(804,749)	85,589
Infrastructure-streets network	37,701,591	5,674,599	-	43,376,190
Infrastructure-street appurtenances	22,360,733	-	-	22,360,733
Infrastructure-storm drain	<u>8,175,890</u>	<u>-</u>	<u>-</u>	<u>8,175,890</u>
Total Capital Assets Being Depreciated	<u>86,192,217</u>	<u>6,315,899</u>	<u>(1,086,285)</u>	<u>91,421,831</u>
Less Accumulated Depreciation for:				
Structures and improvements	(3,778,635)	(243,823)	3,044	(4,019,414)
Equipment	(3,750,878)	(403,507)	278,135	(3,876,250)
Land improvements	(890,338)	-	804,749	(85,589)
Infrastructure-streets network	(13,138,615)	(1,007,184)	-	(14,145,799)
Infrastructure-street appurtenances	(9,536,904)	(617,020)	-	(10,153,924)
Infrastructure-storm drain	<u>(5,150,811)</u>	<u>(163,518)</u>	<u>-</u>	<u>(5,314,329)</u>
Total Accumulated Depreciation	<u>(36,246,181)</u>	<u>(2,435,052)</u>	<u>1,085,928</u>	<u>(37,595,305)</u>
Total Capital Assets, Being Depreciated, Net	<u>49,946,036</u>	<u>3,880,847</u>	<u>(357)</u>	<u>53,826,526</u>
Governmental Activities Capital Assets, Net	<u>\$ 79,821,505</u>	<u>\$ 10,747,348</u>	<u>\$ (6,812,131)</u>	<u>\$ 83,756,722</u>

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 6 – CAPITAL ASSETS (continued)

A summary of capital asset activity for the year ended June 30, 2013, is as follows:

Business Type Activities:	Balance at July 1, 2012	Additions	Deletions	Balance at June 30, 2013
Sewer				
Capital Assets Being Depreciated:				
Structures and improvements	\$27,975,189	\$ 180,780	\$ -	\$ 28,155,969
Less Accumulated Depreciation for:				
Structures and improvements	<u>(15,367,970)</u>	<u>(513,182)</u>	<u>-</u>	<u>(15,881,152)</u>
Sewer Capital Assets, Net	<u>\$12,607,219</u>	<u>\$ (332,402)</u>	<u>\$ -</u>	<u>\$ 12,274,817</u>
Compressed Natural Gas (CNG):				
Capital Assets Being Depreciated:				
Equipment	\$ 790,326	\$ -	\$ -	\$ 790,326
Less Accumulated Depreciation for:				
Equipment	<u>(711,513)</u>	<u>(78,813)</u>	<u>-</u>	<u>(790,326)</u>
CNG Capital Assets, Net	<u>\$ 78,813</u>	<u>\$ (78,813)</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type Activities Total Capital Assets, Net	<u>\$12,686,032</u>	<u>\$ (411,215)</u>	<u>\$ -</u>	<u>\$ 12,274,817</u>

Depreciation expense was charged to functions for the year ended June 30, 2013, as follows:

Governmental Activities:	
General government	\$ 392,217
Public safety	119,698
Public works	1,724,763
Internal service funds	198,374
Total Depreciation Expense	<u>\$ 2,435,052</u>
Business-type Activities:	
Compressed natural gas	\$ 78,814
Sewer	513,182
Total Depreciation Expense	<u>\$ 591,996</u>

NOTE 7 – OCTA ADVANCE

On February 16, 2010, the City entered into a cooperative agreement with the Orange County Transportation Authority (“OCTA”). Terms of the cooperative agreement required OCTA to repay CalTrans \$1.5 million for previously disallowed costs in exchange for the City’s support of OCTA’s direction to CalTrans for any eligible project in Orange County. In addition, OCTA advanced the City \$4.1 million of future Measure M (M2) funds. Principal and accrued but unpaid interest payments commenced bi-monthly beginning July 1, 2011, and are made from future M2 funds over approximately 19 years. Interest is equal to the yield on OCTA’s short-term investment portfolio, and resets annually on June 30. The advance is a long-term liability of a governmental fund. Therefore, the liability is recognized on the Statement of Net Assets. The outstanding principal and accrued interest was \$3,991,183 as of June 30, 2013.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 8 – LONG-TERM DEBT

A summary of changes in long-term debt is as follows:

	Balance at July 1, 2012	Additions	Retirements	Transferred To Successor Agency	Balance at June 30, 2013	Portion Due Within One Year	Portion Due Beyond One Year
Certificates of Participation:							
2003 Certificates of Participation	\$ 6,380,000	\$ -	\$ (715,000)	\$ -	\$ 5,665,000	\$ 740,000	\$ 4,925,000
2003 Refunding and Improvement Project Certificates of Participation	(647,705)	-	41,788	-	(605,917)	(41,788)	(564,129)
2011 Gas Tax Certificates of Participation	5,770,000	-	(205,000)	-	5,565,000	210,000	5,355,000
2011 Gas Tax Certificate of Participation - Deferred Refunding Charge	(161,409)	-	8,570	-	(152,839)	(8,570)	(144,269)
Total Certificates of Participation	<u>11,340,886</u>	<u>-</u>	<u>(869,642)</u>	<u>-</u>	<u>10,471,244</u>	<u>899,642</u>	<u>9,571,602</u>
Bonds & Notes:							
2002 Series A Tax Allocation Bonds	2,580,000	-	-	(2,580,000)	-	-	-
2009 Lease Revenue Bond	4,265,000	-	(150,000)	-	4,115,000	200,000	3,915,000
2009 Lease Rev Bond - Discount	(62,400)	-	8,914	-	(53,486)	(8,914)	(44,572)
Total Bonds & Notes	<u>6,782,600</u>	<u>-</u>	<u>(141,086)</u>	<u>(2,580,000)</u>	<u>4,061,514</u>	<u>191,086</u>	<u>3,870,428</u>
Capital Leases:							
Capital Lease - Phone System Upgrade	139,807	-	(31,789)	-	108,018	32,876	75,142
Capital Lease - Mobile Command Unit	158,965	-	(78,321)	-	80,644	80,644	-
Total Capital Leases	<u>298,772</u>	<u>-</u>	<u>(110,110)</u>	<u>-</u>	<u>188,662</u>	<u>113,520</u>	<u>75,142</u>
Total Long Term Debt	<u>\$ 18,422,258</u>	<u>\$ -</u>	<u>\$ (1,120,838)</u>	<u>\$ (2,580,000)</u>	<u>\$ 14,721,420</u>	<u>\$ 1,204,248</u>	<u>\$ 13,517,172</u>

2003 Refunding and Improvement Project Certificates of Participation

On November 13, 2003, the City issued certificates of participation in the amount of \$11,145,000 to (a) refinance certain obligations relating to the Placentia Redevelopment Agency’s 2003 Refunding Certificates of Participation (“2003 Financing Project”), which were originally issued at \$3,800,000, of which \$5,665,000 remains outstanding, (b) refinance certain obligations relating to the City’s 2001 Certificates of Participation (“Traffic Circulation Project”) and (c) finance and refinance certain capital improvements in the City. The certificates are in denominations of \$5,000 each and bear interest ranging from 2 to 4.4 percent.

Certificates maturing on or after January 1, 2014 are subject to call for prepayment at the option of the City at a price equal to principal plus accrued interest without premium. Certificates maturing on January 1, 2028 are subject to mandatory prepayment on January 1 each year commencing January 2, 2021 from lease payments made by the City at a price equal to the principal payment.

Principal is payable annually on January 1. Interest is payable semiannually on January 1 and July 1 commencing July 1, 2004. The required reserve for the certificates was fully funded as of June 30, 2013.

Each certificate represents a direct, undivided fractional interest of the owner thereof in lease payments to be made by the City as rent for an existing corporate yard and an existing public park (the “Project”) pursuant to a First Amended and Restated Lease Agreement (“1994 Lease”) with the Placentia Redevelopment Agency. The City is legally required under the 1994 Lease to make payments to the RDA Successor Agency from any source of available funds in each year the City has use and occupancy of the Project. The annual lease payments are equal to the annual principal and interest due with respect of the certificates. The City has covenanted that it will provide the necessary appropriations in each annual budget.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 8 – LONG-TERM DEBT (Continued)

2003 Refunding and Improvement Project Certificates of Participation, (Continued)

The certificates are reported in the Statement of Net Assets net of the deferred refunding charge in the amount of \$605,917 as of June 30, 2013. The deferred refunding charge is amortized over the life of the debt. Amortization expense for the year ended June 30, 2013 was \$41,788.

On April 17, 2007, the City Council of the City of Placentia and the Board of Directors of the Placentia Redevelopment Agency approved a reimbursement agreement between the City and the Placentia Redevelopment Agency. This agreement provides that the Placentia Redevelopment Agency will reimburse the City for a portion of the lease payment paid by the City to the Placentia Redevelopment Agency, with respect to the 2003 Certificates of Participation. The portion reimbursed (87.52 percent) is based upon the portion of the capital improvements and improved facilities benefiting from the original proceeds of the related debt issue that were within the confines of the redevelopment project area. The amount of certificates outstanding as of June 30, 2013, was \$706,992, which represents the City’s share of 12.48%.

Upon the dissolution of the former Placentia Redevelopment Agency at February 1, 2012, the outstanding balance of the 2003 COP is recorded in the Government-Wide Statement of Net Assets and the City will continue to be reimbursed annually by the RDA Successor Agency for its 87.52 percent of the debt service payment. See Note 11 for more details.

The annual debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 740,000	\$ 253,986	\$ 993,986
2015	260,000	224,386	484,386
2016	275,000	213,986	488,986
2017	285,000	202,986	487,986
2018	295,000	191,230	486,230
2019-2023	1,685,000	748,523	2,433,523
2024-2028	2,125,000	312,313	2,437,313
Total	<u>\$ 5,665,000</u>	<u>\$ 2,147,410</u>	<u>\$ 7,812,410</u>

2011 Gas Tax Certificates of Participation

On May 1, 2011, the City issued Gas Tax Revenue Certificates of Participation in the amount of \$5,955,000. Proceeds from the debt will be used to (i) finance the design, acquisition, and construction of certain local roadway improvements and street resurfacing projects within the City, (ii) fund a reserve fund for the certificates, and (iii) pay the costs incurred in connection with the certificates.

The certificates are in denominations of \$5,000 each and bear interest ranging from 2.0% to 5.5%. Interest is payable semi-annually on June 1 and December 1. Principal payments of \$185,000 to \$275,000 are due each June 1 through 2021. Term Certificates of \$1,590,000 are due June 1, 2026. Term Certificates of \$2,050,000 are due June 1, 2031.

All gas tax revenues and any other amounts (including proceeds of the sale of the Certificates) held by the trustee will be irrevocably pledged to the payment of the principal, interest, and prepayment premium, if any, will not be used for any other purpose while any of the Certificates remain outstanding.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 8 – LONG-TERM DEBT (Continued)

2011 Gas Tax Certificates of Participation (Continued)

Each Certificate evidences proportionate and undivided interests of the registered owners thereof in installment sale payments to be made by the City to the California Statewide Communities Development Authority, as the purchase price for certain local roadway improvements and street resurfacing projects pursuant to a 2011 Installment Sale Agreement, dated as of May 1, 2011.

The Certificates are subject to optional, mandatory, and mandatory sinking fund prepayments under certain conditions.

Optional Prepayment

The Certificates maturing on or before June 1, 2021, are not subject to optional prepayment prior to the respective stated maturities. The Certificates maturing on or after June 1, 2022, will be subject to optional prepayment prior to maturity, at the option of the California Statewide Communities Development Authority upon direction of the City, on or after June 1, 2021, in whole or in part (by lot within any maturity), on any date, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium. The City is required to provide written notice at least 45 days prior to the prepayment date specifying the principal amount to be prepaid.

Mandatory Prepayment of Certificates Upon Acceleration

The Certificates are subject to mandatory prepayment prior to maturity, in whole or in part (by lot within any maturity), on any date, from amounts received upon the acceleration of payments upon the occurrence of an event of default, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium.

Mandatory Sinking Fund Prepayment

The Certificates maturing on June 1, 2026, are subject to mandatory prepayment on June 1 of each year commencing June 1, 2022, in part, from mandatory sinking fund payments, on each June 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed or prepayment, without premium. The principal evidenced by such Certificates to be so prepaid and the dates therefore shall be as follows:

Mandatory Prepayment Date <u>(June 1)</u>	<u>Amount</u>
2022	\$ 290,000
2023	300,000
2024	315,000
2025	335,000
2026	350,000

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 8 – LONG-TERM DEBT (Continued)

2011 Gas Tax Certificates of Participation (continued)

Mandatory Sinking Fund Prepayment (Continued)

The amount of each such prepayment shall be reduced in the event and to the extent that installment sale payments payable on the corresponding certificate payment date are optionally prepaid by the local agency pursuant to the 2011 installment sale agreement and applied to the prepayment of certificates maturing on June 1, 2026.

The certificates maturing on June 1, 2031, are subject to mandatory prepayment on June 1 of each year commencing June 1, 2027, in part, from mandatory sinking fund payments, on each June 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such certificates to be prepaid and the dates are as follows:

Mandatory Prepayment Date (June 1)	Amount
2027	\$ 365,000
2028	390,000
2029	410,000
2030	430,000
2031	455,000

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 210,000	\$ 268,844	\$ 478,844
2015	215,000	262,544	477,544
2016	225,000	253,944	478,944
2017	235,000	244,944	479,944
2018	245,000	235,544	480,544
2019-2023	1,385,000	1,015,569	2,400,569
2024-2028	1,755,000	645,425	2,400,425
2029-2031	1,295,000	144,925	1,439,925
Total	\$ 5,565,000	\$ 3,071,739	\$ 8,636,739

CITY OF PLACENTIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 8 – LONG-TERM DEBT (Continued)

2002 Tax Allocation Bonds

On January 8, 2002, the Placentia Redevelopment Agency issued housing set-aside tax allocation bonds in the amount of \$3,100,000 (the “Series A”) and tax allocation bonds in the amount of \$4,655,000 (the “Series B”). Proceeds of the Series A and B bonds will be used to finance the Placentia Redevelopment Agency’s low and moderate income housing program and its redevelopment program, respectively. The bonds are in denominations of \$5,000 each and bear interest at rates ranging from 3.75 to 5.85 percent for Series A and 3.75 to 5.75 percent for Series B. Principal is payable annually on August 1 each year. Interest is payable semiannually on February 1 and August 1.

Bonds maturing on or before August 1, 2013 are not subject to call or redemption prior to maturity. The required reserves for the Series A and B bonds were fully funded as of June 30, 2013. The amount of bonds outstanding for both Series A & Series B as of June 30, 2013 was \$6,290,000.

Due to the dissolution of the former Placentia Redevelopment Agency, the outstanding balance of both the Series A & Series B bonds belongs to the RDA Successor Agency. See Note 23 for more details.

2009 Subordinate Tax Allocation Notes

On January 30, 2009, the Placentia Redevelopment Agency issued the 2009 Subordinate Tax Allocation Notes in the amount of \$6,850,000. Proceeds of the Notes will be used to finance redevelopment activities of the Placentia Redevelopment Agency within or of benefit to the Placentia Redevelopment Agency’s project area. The Notes bear interest of 7.75 percent and is payable semiannually on February 1 and August 1. The entire principal amount of \$6,850,000 is due and payable on February 1, 2014. The amount of bonds outstanding as of June 30, 2013 was \$6,850,000.

As noted above, the 2009 Subordinate Tax Allocation Notes are due and payable on February 1, 2014 and management does not anticipate that sufficient taxes will have been collected to retire the debt at that point and anticipates refunding the debt at that time.

Due to the dissolution of the former Placentia Redevelopment Agency, the outstanding balance of both the 2009 Subordinate Tax Allocation Note belongs to the RDA Successor Agency. See Note 23 for more details.

Debt Related Pledge of Revenue

The RDA Successor Agency has pledged a portion of future tax increment revenues to repay the 2002 Tax Allocations Bonds and the 2009 Subordinate Tax Allocation Notes, as the source of repayment of this debt. Tax increment revenues were projected to produce a certain percentage of the debt service requirements over the life of the debt. Due to the dissolution of the former Placentia Redevelopment Agency, the pledged revenue is deposited to the County of Orange Redevelopment Property Tax Trust Fund (“RPTTF”). The County forwards the City funds to pay these recognized obligations. See Note 23 for more details.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 8 – LONG-TERM DEBT (Continued)

Debt Related Pledge of Revenue (continued)

The following table discloses the total principal and interest remaining on the debt, the current year principal and interest paid, and the percent of debt service tax increment was expected to produce.

	Remaining Debt Service	Debt Service in 2013	
		Principal	Interest
RDA Successor Agency Private Purpose Trust Fund:			
2002 Tax Allocation Bonds Series A	\$ 2,515,000	\$ 65,000	\$ 148,801
2002 Tax Allocation Bonds Series B	3,775,000	100,000	219,638
2009 Subordinated Tax Allocation Bonds	6,850,000	-	530,875
	\$ 13,140,000	\$ 165,000	\$ 899,314

2009 Lease Revenue Bonds

On June 24, 2009, the Placentia Public Financing Authority (the “Authority”) issued \$4,390,000 of Lease Revenue Bonds (Working Capital Financing) (the “Bonds”) to finance the City’s accumulated working capital deficit, fund a reserve fund for the bonds and pay the costs incurred in connection with the issuance of the bonds. The bonds are payable from lease payments to be made by the City to the Placentia Public Financing Authority as rent for certain real property and the improvements thereon. Interest on the bonds is payable semiannually on December 1st and June 1st of each year, commencing on December 1, 2009, until maturity and yield and interest rate of 7.5 percent.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 200,000	\$ 308,625	\$ 508,625
2015	300,000	293,625	593,625
2016	525,000	271,125	796,125
2017	830,000	231,750	1,061,750
2018	1,025,000	169,500	1,194,500
2019	1,235,000	92,625	1,327,625
Total	\$ 4,115,000	\$ 1,367,250	\$ 5,482,250

The Bonds will be secured by a first pledge of security interest in and lien on all of the lease payments received with respect to the Placentia City Hall (the “Leased Property”). The Authority has, pursuant to the Assignment Agreement, assigned all of its rights under the Lease Agreement including its rights to receive Lease Payments from the City and its remedies to the Trustee for the benefit of the Owners of the Bonds (the “investors”). The City is required to pay the Authority specified amounts for use of the Leased Property, which are equal to the principal of and interest due with respects to the Bonds. The lease payments are calculated to be sufficient to pay, when due, the annual principal and interest on the bonds.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 8 – LONG-TERM DEBT (Continued)

Capital Leases:

Phone System

On August 23, 2011, the City entered into a Tax-Exempt California Abatement Lease/Purchase Agreement with Key Government Finance, Inc. (“Key Government”) for financing the acquisition of phone systems in the City Hall.

The assets acquired through the capital lease were included in the Machinery and Equipment (Governmental Funds) in the amount of \$157,870. The lease is for a period of five years with total interest payments of \$14,515. Rental payments are payable monthly in arrears of the period in which they relate to. Title to the purchased equipment is in the name of the City.

The future minimum lease obligations for the capital lease payable as of June 30, 2013, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 32,876	\$ 3,135	\$ 36,011
2015	34,001	2,010	36,011
2016	35,165	846	36,011
2017	5,976	25	6,001
Total	<u>\$ 108,018</u>	<u>\$ 6,016</u>	<u>\$ 114,034</u>

Mobile Command Vehicle

On January 13, 2012 the City entered into a Tax-Exempt California Abatement Lease/Purchase Agreement with Key Government for financing the acquisition of mobile command vehicles.

The assets acquired through the capital lease were included in the Machinery and Equipment (Governmental Funds) in the amount of \$242,000. The lease is for a period of three years with total interest payments of \$7,105. Rental payments are payable annually in arrears of the period in which they relate to. Title to the purchased equipment is in the name of the City.

The future minimum lease obligations for the capital lease payable as of June 30, 2013, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 80,644	\$ 2,391	\$ 83,035
Total	<u>\$ 80,644</u>	<u>\$ 2,391</u>	<u>\$ 83,035</u>

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 9 – DEBT WITHOUT GOVERNMENT COMMITMENT

Special Assessment Bonds Payable:

1996 and 2001 Special Tax Revenue Bond

On August 27, 1996, \$27,765,000 of Special Tax Revenue Bonds, Series A and B were issued to refund the existing Mello-Roos Community Facilities District bonds originally issued on September 1990. On June 15, 2001, \$5,715,000 of Special Tax Revenue Bonds, Series A, was issued to refund the 1996 Special Tax Revenue Bonds, Series B. The bonds were issued to provide financing for the design, construction and installation of certain public improvements within Community Facilities District No. 89-1. The bonds are secured by the assessments levied against the private property within the assessment district. The bonds are not general obligations of the City, and neither the faith and credit nor taxing power of the City is pledged to the payment of the bonds. The City is acting only in an agent capacity for the property owners. As noted below, the 2009 Special Tax Revenue Refunding Bonds defeased the 1996 Special Tax Revenue Bonds Series A.

2009 Special Tax Revenue Refunding Bonds

On May 27, 2009, \$9,715,000 of Special Tax Revenue Refunding Bonds were issued to provide for defeasance and refunding of the Authority’s Special Tax Revenue Bond, 1996 Series A, to fund a reserve fund and to pay costs to issue the bonds. On June 16, 2009, \$12,400,144 was deposited into an irrevocable trust to defease the 1996 Series A bonds. As such, the 1996 Series A Special Tax Revenue Bonds have been considered defeased. The 2009 bonds are not general obligations of the City, and neither the faith and credit nor taxing power of the City is pledged to the payment of the bonds. The City is acting only in an agency capacity for the property owners.

NOTE 10 – COMPENSATED ABSENCES

A summary of changes in compensated absences is as follows:

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2013</u>	<u>Portion Due Within One Year</u>	<u>Portion Due Beyond One Year</u>
Governmental Activities	\$ 3,494,194	\$ 1,167,046	\$ (1,381,433)	\$ 3,279,807	\$ 1,023,710	\$ 2,256,099
Business-type Activities	129,782	47,526	(61,253)	116,055	36,223	79,830
Total	<u>\$ 3,623,976</u>	<u>\$ 1,214,572</u>	<u>\$ (1,442,686)</u>	<u>\$ 3,395,862</u>	<u>\$ 1,059,933</u>	<u>\$ 2,335,929</u>

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 11 – LEASE RECEIVABLE AND PAYABLE

As more fully described at Note 1 and Note 8, the City has covenanted to make payments for the full amount of the 2003 Certificates of Participation (COP) debt service payment and the RDA Successor Agency has covenanted to reimburse the City for the 87.52 percent of the debt service payment. The full amount of the 2003 COP debt is included in the Government-Wide Statement of Net Assets. The following table shows the amounts expected to be reimbursed by the RDA Successor Agency as of June 30, 2013.

<u>Year Ending June 30,</u>	<u>Lease</u>
2014	869,937
2015	423,935
2016	427,961
2017	427,086
2018	425,549
2019-2023	2,129,819
2024-2028	2,133,136
Total future minimum lease payments to be received	6,837,423
Less: unearned interest income	(1,879,413)
Total	<u>\$ 4,958,010</u>

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 12 – FUND BALANCES

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance and Governmental Fund Type Definitions*. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification.

	General Fund	Street Lighting	Housing Successor Agency	City Capital Project	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:						
Due from other funds	\$ 4,361,631	\$ -	\$ -	\$ -	\$ -	\$ 4,361,631
Loans receivable	6,000	-	88,750	-	-	94,750
Total nonspendable	<u>4,367,631</u>	<u>-</u>	<u>88,750</u>	<u>-</u>	<u>-</u>	<u>4,456,381</u>
Restricted:						
Grants	-	-	-	-	329,319	329,319
Debt service	-	-	-	-	483,983	483,983
Measure M	-	-	-	-	483,620	483,620
Asset seizure	-	-	-	-	368,205	368,205
Traffic offender	-	-	-	-	32,056	32,056
Air quality	-	-	-	-	190,886	190,886
Utility users tax	-	-	-	-	647,040	647,040
Gas tax	-	-	-	-	636,519	636,519
Storm Drain Construction	-	-	-	-	42,806	42,806
Thoroughfare Constructions	-	-	-	-	37,854	37,854
Underground Utilities	-	-	-	-	39	39
Park Development	-	-	-	-	8,269	8,269
Landscape Maintenance	-	-	-	-	368,982	368,982
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,629,578</u>	<u>3,629,578</u>
Unassigned	<u>1,385,351</u>	<u>(630,451)</u>	<u>(388,743)</u>	<u>(1,139,358)</u>	<u>(38,387)</u>	<u>(811,588)</u>
	<u>\$ 5,752,982</u>	<u>\$ (630,451)</u>	<u>\$ (299,993)</u>	<u>\$ (1,139,358)</u>	<u>\$ 3,591,191</u>	<u>\$ 7,274,371</u>

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 13 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURE

Expenditures in excess of appropriations: Expenditures for the year ended June 30, 2013 exceeded the appropriations of the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
<i>Governmental Funds:</i>			
Major funds:			
General Fund	\$ 24,967,174	\$ 25,061,558	\$ (94,384)
Housing Successor Agency	-	12,341	(12,341)
Non-major governmental funds:			
Miscellaneous Grants	228,900	358,477	(129,577)
2011 Gas Tax COP	481,494	483,898	(2,404)
Housing and Community Development	135,000	135,016	(16)

Accumulated fund deficits/net assets: The following funds had deficit fund balances or deficit net assets at June 30, 2013:

Fund	Deficit Fund Balance/ Net Assets
<i>Governmental Funds:</i>	
Major funds:	
Street lighting	\$ 630,451
Housing Successor Agency	299,993
City Capital Projects	1,139,358
Nonmajor special revenue funds:	
Housing and community development	38,387
<i>Proprietary Funds:</i>	
Refuse	3,225,933

NOTE 14 – POSTEMPLOYMENT BENEFITS

Post-Employment Health Care Benefits

During the year ended June 30, 2009, the City implemented GASB Statement No. 45, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions by State and Local Governmental Employers*.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 14 – POSTEMPLOYMENT BENEFITS (Continued)

Plan description

The City provides post-employment benefits to retired employees in the form of a contribution towards their medical premiums under the CalPERS health plan which provides medical insurance benefits to eligible retirees in accordance with various labor agreements. The minimum required retiree contributions are established by CalPERS. Survivor benefits are not provided. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Eligibility

All employees hired prior to November 21, 1995 are in Tier I and become eligible for these benefits as long as they are 50 years of age or older and have worked for the City a minimum of five years and elect a service retirement from the City. The health benefits for Tier I retirees include medical, dental, optical and life. Vision benefits are also provided to employees who retired after September 30, 1990. The life insurance is available to all retirees until they reach age 70.

All employees hired on or after November 21, 1995 are Tier II, and upon retirement they have the option of participating in a post-retirement medical insurance benefit program at their own cost.

Membership of the plan consisted of the following at June 30, 2013:

	Placentia City City Employee <u>Association</u>	Placentia Police Officers <u>Association</u>	Police <u>Management</u>	Management and <u>Mid-Management</u>	<u>Total</u>
Retirees Receiving Benefits	43	11	15	23	92
Eligible Active Employees	51	12	34	13	110

The above table does not reflect current retirees not enrolled in the CalPERS health plan that may be eligible to enroll in the plan at a later date.

Funding Policy

The City’s current contribution is paid on a pay-as-you-go basis. Benefits provided to retirees vary based on employment date and unit. Tier II retirees choosing to participate in the post-retirement medical benefit program are responsible for the premium costs in excess of the City’s monthly contribution of \$108. For the year-ended June 30, 2013, the City paid \$920,109 towards their post-employment health care benefits. Current active employees are not required to contribute any portion towards these benefits.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other post-employment benefit (“OPEB”) cost (expense) is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed 30 years. The amortization periods used are closed.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 14 – POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation:

	Placentia City Employee Association	Placentia Police Officers Association	Police Management	Management and Mid-Management	Total
Balance at July 1, 2012	\$ 623,797	\$ 341,231	\$ 836,918	\$ 74,161	\$ 1,876,107
Annual required contribution	554,979	235,240	370,541	221,587	1,382,347
Interest on net OPEB obligation	24,952	13,649	33,477	2,966	75,044
Annual required contribution adjustment	(27,274)	(14,919)	(36,592)	(3,242)	(82,027)
Contributions made	(471,343)	(204,430)	(129,422)	(247,789)	(1,052,984)
Balance at June 30, 2013	<u>\$ 705,111</u>	<u>\$ 370,771</u>	<u>\$ 1,074,922</u>	<u>\$ 47,683</u>	<u>\$ 2,198,487</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the preceding years were as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
2011	\$ 1,440,401	66.5%	\$ 1,496,957
2012	1,318,878	71.1%	1,876,107
2013	1,375,364	76.6%	2,198,487

Funding Status and Progress

As of July 1, 2011, the most recent valuation date, the actuarial accrued liability for benefits was \$23.7 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$23.7 million and a funded ratio (actuarial value of assets as a percentage of the actuarial accrued liability) of 0 percent. The covered payroll (annual payroll of active employees) was \$8.5 million and the ratio of the UAAL to the covered payroll was 279.5 percent. The actuarial accrued liability at June 30, 2013 was \$23,732,646. The City is evaluating its options in developing a funding policy for its OPEB obligations.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

CITY OF PLACENTIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 14 – POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 4 percent investment rate of return, which is based on assumed long-term investment returns on the City's assets, as appropriate, and an annual healthcare cost trend rate of 8.5 percent in 2013, 8 percent in 2014, and decreasing by 1/2 percent until 2019 (4.5 percent) thereafter. All rates included a 4.5 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 26 years. It is assumed the City's payroll will increase 3.25 percent per year.

NOTE 15 – INSURANCE

Description of self-insurance pool pursuant to Joint Powers Agreement

Self-insurance program of the PARSAC

The City is a member of the Public Agency Risk Sharing Authority of California ("PARSAC"). The PARSAC is composed of 36 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section 6500, et seq. The purpose of the PARSAC is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. Each member government has an elected official as its representative on the Board of Directors. Officers are elected annually by the Board members.

General liability

Annual deposits are paid by member cities, and are adjusted retrospectively to cover cost. Each member city is self-insured for an amount of \$5,000 to \$750,000, based on the option chosen. The City is self-insured for the first \$100,000. Participating cities then share in the losses, up to \$1,000,000 per loss occurrence. The Employment Risk Management Authority ("ERMA") provides excess coverage to \$1,000,000. Coverage in excess of \$1,000,000 and to \$5,000,000 is provided by CSAC Excess Insurance Authority. Losses exceeding \$5,000,000 to \$15,000,000 are covered by Ironshore Indemnity, Inc. Losses exceeding \$15,000,000 to \$25,000,000 is covered by Star Indemnity and Liability Company, and losses in excess of \$25,000,000 to \$35,000,000 coverage provided by Lexington Insurance Company. Specific coverage includes comprehensive and general liability, personal injury, contractual liability, errors and omissions, and certain other coverage. In addition, \$1,000,000,000 of shared loss limits all risk insurance for real and personal property, as well as boiler and machinery insurance coverage through the Public Entity Property Insurance program.

Other Insurance Coverage

Due to the high cost of earthquake insurance, the City remained self-insured for this coverage. The City is also self-insured up to a total of \$250,000 workers' compensation and has obtained independent provider coverage for a total of \$5,000,000 in workers' compensation insurance. The City has Public Employee Dishonesty Bond insurance which includes all employees (including elected officials) for coverage of \$1,000,000.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 15 – INSURANCE (Continued)

Adequacy of Protection

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

At June 30, 2013, \$2,954,095 has been accrued for self-insurance losses. The amount represents an estimate of the amounts to be paid for claims reported through June 30, 2013 and claims which have been incurred but not reported as of June 30, 2013. While the ultimate amount of losses incurred through June 30, 2013 is dependent on future developments, based upon information from the City Attorney, the City’s claims administrators and others involved in the administration of the programs, City management believes the accrual is adequate to cover such losses. A reconciliation of changes in aggregate liabilities for claims filed in the current and prior fiscal years is as follows:

Balance at July 1, 2012	Actual and Estimated Claims Incurred	Payments Made for Current and Prior Year Claims	Balance at June 30, 2013	Portion Due Within One Year	Portion Due Beyond One Year
<u>\$ 1,979,361</u>	<u>\$ 1,462,910</u>	<u>\$ (488,176)</u>	<u>\$ 2,954,095</u>	<u>\$ 832,773</u>	<u>\$ 2,121,322</u>

NOTE 16 – DEFINED BENEFIT PENSION PLAN (PERS)

Plan Description

The City contributes to the California Public Employees Retirement System (“CalPERS”), a cost sharing multiple employer public employee defined benefit pension plan. CalPERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of CalPERS’ annual financial report may be obtained from its executive office at 400 “P” Street, Sacramento, California 95814.

Funding Policy

The City and participants contribute to the CalPERS, Participants are required to contribute 7 percent of their annual covered payroll. During 2012-2013, the City contributed the 9 percent on behalf of Safety Employees, and management and mid-management paid their required 7 percent. The City of Placentia is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2012-2013 was 9.631 percent for miscellaneous employees and 46.777 percent for the safety plan. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS. Benefit provisions and all other requirements are established by State statute and city contracts with employee bargaining groups.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 16 – DEFINED BENEFIT PENSION PLAN (PERS), (Continued)

Annual Pension Cost

Three-Year Trend Information

Safety Plan

Year Ended June 30,	Annual Pension Cost (Employer Contribution)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 1,628,165	100%	-
2012	\$ 1,938,204	100%	-
2013	\$ 2,156,285	100%	-

Miscellaneous Plan

Year Ended June 30,	Annual Pension Cost (Employer Contribution)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 363,613	100%	-
2012	\$ 409,534	100%	-
2013	\$ 423,297	100%	-

NOTE 17 – DEFERRED COMPENSATION

The City has made available to its employees two deferred compensation plans, created in accordance with Internal Revenue Code Section (“IRC”) 457, whereby employees authorize the City to defer a portion of their salary to be deposited in individual investment accounts. There are several options available for employees to invest, including annuities, life insurance, savings accounts and mutual funds. Funds may be withdrawn by participants upon termination of employment, retirement, or a certified emergency. The City makes no contribution under the plans.

Pursuant to changes in IRC Section 457, the City amended its plans and established a trust into which all assets and income of the 457 plan were transferred during the year ended June 30, 1998. The assets and all income attributable to such amounts are held in trust for the exclusive benefit of the participant and their beneficiaries. These assets are no longer the property of the City, and therefore, are no longer subject to the claims of the City’s general creditors. As a result, the assets of the 457 deferred compensation plans are no longer presented in an agency fund of the City’s financial statements. The City has minimal involvement in the administration of the 457 plans, and therefore, lacks the fiduciary accountability that would require the 457 plan assets be recorded in an expendable trust fund.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 18 – LITIGATION

The City is presently involved in matters of litigation that have arisen in the normal course of the City's business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to have a material adverse financial impact on the City in excess of the amount accrued as of June 30, 2013.

NOTE 19 – JOINT VENTURE – ORANGE COUNTY FIRE AUTHORITY

The City entered into a joint powers agreement with 17 other cities and the County of Orange (the "County") in January 1995, and subsequently amended on September 23, 1999, to create the Orange County Fire Authority (the "Fire Authority"). Since 1995, other cities within the County have also joined the Fire Authority to bring the total members in the Fire Authority to 23. The purpose of the Fire Authority is to provide for mutual fire protection, prevention and suppression services and related and incidental services including, but not limited to, emergency medical and transport services, hazardous materials regulation, as well as providing facilities and personnel for such services. The Fire Authority's governing board consists of one representative from each city and two from the County. The operations of the Fire Authority are funded with structural fire fees collected by the County through either the property tax roll or with cash contributions based on the Fire Authority's annual budget. The County pays all structural fire fees it collects to the Fire Authority.

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2013. Upon dissolution of the Fire Authority, all surplus money and property of the Fire Authority will be conveyed or distributed to each member in proportion to all funds provided to the Fire Authority by that member or by the County on behalf of that member during its membership. Separate audited financial statements may be obtained from the Fire Authority at 1 Fire Authority Road, Irvine, California 92602.

NOTE 20 – JOINT VENTURE – TRI-CITY PARK AUTHORITY

The City, along with the City of Fullerton, City of Brea, and the County of Orange, established the Tri-City Park Authority ("Tri-City Authority") on March 12, 1974. The purpose of the Tri-City Park Authority was to oversee and maintain the 40-acre park site known as Tri-City Park. Each of the three city councils originally appointed two members to the governing board which was later revised to the City Manager/Administrator from each city or their designee. At its inception, the seventh member was appointed by the County of Orange Board of Supervisors.

On January 1, 2013, Tri-City Park was transferred via grant deed to the County of Orange. The City no longer has any direct management or financial interest in the park. The park is maintained and operated by the County of Orange Parks Department and governed by the County of Orange Board of Supervisors.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 21 – CONTINGENCIES/COMMITMENTS

The City receives a number of grants and allocations annually. The City's entitlement to these funds could be subject to audits by the funding agencies, these audits could generate disallowances. The amount of expenditures, if any, which could be disallowed by the grantor cannot be determined at this time although it is the opinion of the City that such amounts, if any, would be immaterial.

Tax Increment Financing

The RDA Successor Agency has no power to levy and collect taxes and any legislative property tax de-emphasis might reduce the amount of tax revenues that would otherwise be available to pay the principal and interest on the Certificates, Bonds or loans from the City. Broadened property tax exemptions could have a similar effect. Conversely, any increase in the tax rate or assessed valuation, or any reduction or elimination of present exemptions would increase the amount of tax revenues that would be available to pay principal and interest on the Certificates, Bonds, or loans from the City.

Lease of Property

The former Placentia Redevelopment Agency entered into agreement to lease property with the option to purchase 132 E. Crowther Avenue. A third party private investor purchased the property from the seller. During escrow a lease agreement was entered into where the Placentia Redevelopment Agency paid an initial \$400,000 non-refundable purchase option. Upon dissolution of the Placentia Redevelopment Agency, the RDA Successor Agency, through an enforceable obligation, will lease the property from the investor for \$15,000 per month. The term of the lease agreement is five years, with an option for two additional one year periods. The State Department of Finance has found the lease agreement to be an enforceable obligation of the RDA Successor Agency.

NOTE 22 – RELATED PARTY TRANSACTIONS

Several down payment assistance loans were issued to employees as part of an incentive program. These amounts are forgivable at the rate of 1/10th of the loan each anniversary year. During 2013, \$2,000 was forgiven by the City and the balance at year end was \$6,000. See Note 4.

NOTE 23 – SUCCESSOR AGENCY TO THE FORMER PLACENTIA REDEVELOPMENT AGENCY

On December 29, 2011, the Supreme Court of the State of California upheld the enforceability of legislation that provides for the dissolution of California redevelopment agencies. As a result of the ruling, the dissolution of California Redevelopment Agencies was effective as of February 1, 2012.

The Placentia former redevelopment agency was presented as a blended component unit within the financial statements. After the date of dissolution, the assets and activities of the dissolved Placentia Redevelopment Agency are reported in a fiduciary fund (RDA Successor Agency private-purpose trust fund) in the financial statements of the City.

CITY OF PLACENTIA

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

*NOTE 23 – SUCCESSOR AGENCY TO THE FORMER PLACENTIA REDEVELOPMENT AGENCY
(Continued)*

Assembly Bill X1 26 requires each agency to adopt an Enforceable Obligation Payment Schedule and draft a Recognized Obligation Payment Schedule. Enforceable obligations include bonds, loans and payments required by the federal or State government; legally enforceable payments required in connection with Agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in Assembly Bill X1 26. Only the amount of tax revenues necessary to fund the payments reflected on the Enforceable Obligation Payment Schedule will be allocated to the Successor Agencies.

As previously mentioned in Note 8, the Successor Agency has the 2002 Tax Allocation Bonds Series A & B and the 2009 Tax Allocation Note listed as outstanding debt. The total principal outstanding at June 30, 2013 is \$13,140,000. It is management's goal to refund these debt instruments into one offering in fiscal year 2013-14.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PLACENTIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR OPEB
FOR THE YEAR ENDED JUNE 30, 2013**

The following schedule summarizes the City of Placentia's funding progress for OPEB:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll (B-A)/(C)
7/1/2008	\$ -	\$ 24,391,359	\$24,391,359	0%	\$ 8,854,045	275%
7/1/2011	-	23,732,646	23,732,646	0%	8,492,592	279%

CITY OF PLACENTIA

MAJOR FUNDS

GENERAL FUND

The General Fund has been classified as a major fund and is used to account for all of the general revenues of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City. The General Fund is generally used to account for all resources not required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted for specified purposes. The following have been classified as major funds. The budget-actual comparison for this fund has been presented in the accompanying financial statements as *Required Supplementary Information*.

Street Lighting Fund – The Special Street Lighting District established the street lighting fund in certain areas of the City not covered by the County Lighting District. The revenue source is a special assessment on property owners.

Housing Successor Agency– This fund is used to account for balance of the former low and moderate income housing funds of the former Placentia Redevelopment Agency and revenues and expenditures related to such housing projects and programs.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Fund Types. The following Capital Projects fund has been classified as major in the accompanying fund financial statements:

City Capital Projects Fund – Used to account for financing and construction within the boundaries of the City.

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 11,591,300	\$ 11,591,300	\$ 11,388,950	\$ (202,350)
Sales and use taxes	5,980,000	5,980,000	5,518,907	(461,093)
Other taxes	2,828,500	2,828,500	3,183,996	355,496
Intergovernmental	195,600	195,600	127,867	(67,733)
Licenses and permits	1,448,100	1,448,100	1,210,722	(237,378)
Fines and forfeitures	570,000	570,000	468,229	(101,771)
Investment income	350,000	350,000	160,212	(189,788)
Charges for services	1,869,000	1,869,000	1,256,723	(612,277)
Lease revenue	935,360	935,360	1,008,269	72,909
Legal settlements	-	-	2,477,845	2,477,845
Miscellaneous	130,000	130,000	365,336	235,336
Total Revenues	<u>25,897,860</u>	<u>25,897,860</u>	<u>27,167,056</u>	<u>1,269,196</u>
EXPENDITURES				
Current:				
General government	3,988,497	3,988,497	4,224,759	(236,262)
Public safety	16,088,110	16,088,110	16,502,295	(414,185)
Public works	3,530,682	3,530,682	2,988,582	542,100
Community development	890,010	890,010	876,047	13,963
Debt Service:				
Principal	150,000	150,000	150,000	-
Interest	319,875	319,875	319,875	-
Total Expenditures	<u>24,967,174</u>	<u>24,967,174</u>	<u>25,061,558</u>	<u>(94,384)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>930,686</u>	<u>930,686</u>	<u>2,105,498</u>	<u>1,174,812</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,415,200	4,415,200	2,905,919	(1,509,281)
Transfers out	<u>(5,300,842)</u>	<u>(5,300,842)</u>	<u>(6,029,217)</u>	<u>(728,375)</u>
Total Other Financing Sources (Uses)	<u>(885,642)</u>	<u>(885,642)</u>	<u>(3,123,298)</u>	<u>(2,237,656)</u>
Net Change in Fund Balance	45,044	45,044	(1,017,800)	(1,062,844)
Fund Balance, Beginning of Year	<u>6,770,782</u>	<u>6,770,782</u>	<u>6,770,782</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,815,826</u>	<u>\$ 6,815,826</u>	<u>\$ 5,752,982</u>	<u>\$ (1,062,844)</u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET LIGHTING FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Charges for services	\$ 138,000	\$ 134,232	\$ (3,768)
Total Revenues	<u>138,000</u>	<u>134,232</u>	<u>(3,768)</u>
EXPENDITURES			
Current:			
Public works	380,700	371,600	9,100
Total Expenditures	<u>380,700</u>	<u>371,600</u>	<u>9,100</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(242,700)</u>	<u>(237,368)</u>	<u>5,332</u>
 Net Change in Fund Balance	 (242,700)	 (237,368)	 5,332
 Fund Balance, Beginning of Year	 (393,083)	 (393,083)	 -
Fund Balance, End of Year	<u><u>\$ (635,783)</u></u>	<u><u>\$ (630,451)</u></u>	<u><u>\$ 5,332</u></u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOUSING SUCCESSOR AGENCY FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment income	\$ -	\$ (5,826)	\$ (5,826)
Miscellaneous	-	37,312	37,312
Total Revenues	<u>-</u>	<u>31,486</u>	<u>31,486</u>
EXPENDITURES			
Current			
General government	-	12,341	(12,341)
Total Expenditures	<u>-</u>	<u>12,341</u>	<u>(12,341)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>19,145</u>	<u>19,145</u>
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Transfers out	-	(230,714)	230,714
Total Other Financing Sources	<u>-</u>	<u>(230,714)</u>	<u>230,714</u>
Net Change in Fund Balance	-	(211,569)	(211,569)
Fund Balance, Beginning of Year	<u>(88,424)</u>	<u>(88,424)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (88,424)</u>	<u>\$ (299,993)</u>	<u>\$ (211,569)</u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CITY CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2013**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ -	\$ 30,383	\$ (30,383)
Miscellaneous	-	3	3
Total Revenues	<u>-</u>	<u>30,386</u>	<u>(30,380)</u>
EXPENDITURES			
Current:			
Public works	8,466,380	6,856,342	1,610,038
Capital outlay	111,125	84,334	26,791
Total Expenditures	<u>8,577,505</u>	<u>6,940,676</u>	<u>1,636,829</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,577,505)</u>	<u>(6,910,290)</u>	<u>1,667,215</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	8,532,489	7,741,207	(791,282)
Transfers out	-	(276,004)	(276,004)
Total Other Financing Sources (Uses)	<u>8,532,489</u>	<u>7,465,203</u>	<u>(1,067,286)</u>
Net Change in Fund Balance	(45,016)	554,913	599,929
Fund Balance, Beginning of Year	<u>(1,584,161)</u>	<u>(1,584,161)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (1,629,177)</u>	<u>\$ (1,029,248)</u>	<u>\$ 599,929</u>

CITY OF PLACENTIA

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2013**

NOTE 1 – BUDGETARY CONTROL AND ACCOUNTING

The City prepares its budgets on the basis of estimated actual revenues and expenditures and, accordingly, the budget amounts included in the accompanying financial statements are presented on a basis substantially consistent with generally accepted accounting principles. Encumbrance accounting is utilized during the fiscal year, whereby purchase orders, contracts and other commitments are recorded in order to control appropriations. However, at fiscal year end all appropriations lapse. Accordingly, encumbrances are cancelled and generally are re-appropriated as part of the following year's budget. Encumbrances are not included in reported expenditures.

Annual budgets are adopted for the General, Special Revenue, Debt Service, and Capital Projects Funds. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year.

The budgetary level of control for all governmental fund types is the fund level. The City Administrator has the discretion to transfer appropriations between departments within a fund, but transfers between funds must be approved by City Council.

SUPPLEMENTARY STATEMENTS AND SCHEDULES

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CITY OF PLACENTIA
NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Miscellaneous Grants Funds – Used to account for grant revenues received for reimbursable (qualified) projects which are not accounted for in other special revenue funds.

Park Development Fund – Used to account for the construction and equipment of parks within the City. Revenues for this fund are derived from developer fees paid in lieu of park land dedications.

Measure M Fund – Revenues for this fund are derived from the one-half cent sales tax approved by Orange County voters in November 1990. Monies must be expended for countywide transportation improvements.

Sewer Construction Fund – Used to account for construction of sewers throughout the City. Revenues for this fund are derived from an acreage fee placed on developers at time of development.

Storm Drain Construction Fund – Used to account for the construction of storm drains throughout the City. Revenues for this fund are derived from an acreage fee placed on developers at time of development.

Thoroughfare Construction Fund – Used to account for the construction of traffic signals, bridges and culverts. Revenues for this fund are derived from an acreage fee placed on the developer at time of development.

Undergrounding Utilities Fund – Used to account for the construction of underground utilities within designated areas. Revenues for this fund are derived from monies paid by developers and property owners at time of development. An annual budget is not adopted for this fund since revenues cannot be anticipated.

Asset Seizure Fund – This fund can only be used for the City's K-9 program, the City's contribution to the D.A.R.E. program (Drug Awareness Resistance Education) and for salaries of narcotic enforcement investigators. Revenues for this fund are derived from the City's share of forfeited assets attributed to narcotics dealing.

Traffic Offender Fund – Used to account for collection and disbursement of fees collected from impounding of vehicles. Revenues received must generally be expended for law enforcement activities.

Supplemental Law Enforcement Fund – Used to account for monies received from the County of Orange pursuant to Assembly Bill 3229. These funds must be utilized for front-line municipal police services.

Air Quality Fund – Used to account for monies received from the South Coast Air Quality Management District pursuant to Assembly Bill 2766 to reduce air pollution from mobile sources. Revenues for this fund are derived from motor vehicle registration fees.

Landscape Maintenance District 92-1 – Special landscape maintenance district established this fund to provide for the maintenance, operation, and administration of landscape improvements in certain areas of the City. The revenue source is a special assessment on property owners.

Housing and Community Development Fund – Used to account for Federal grants received for housing and community development. Revenues for this fund are derived from Federal grants for neighborhood rehabilitation in the deteriorating sections of the City.

CITY OF PLACENTIA

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (continued):

Utility Users Tax Fund – Used at Council direction and can be used to pay civic center/police station bond debt service payments, capital equipment replacement, special capital projects or general City operations support. Revenues for this fund are derived from a 3.5 percent user’s tax on electricity, telephone, gas, and cable TV.

Gasoline Tax Fund – Used to account for funds collected under Sections 2105, 2106, 2107 and 2107.5 of the Streets and Highways Code which are distributed to cities, primarily on the basis of population, and are deposited into the Gasoline Tax Fund. Monies so received must generally be expended for the construction and maintenance of the State approved “Select aid system of Streets.”

Debt Service Fund:

2011 Gas Tax COP – Used to accumulate monies for payment of interest and principal on the 2011 Gas Tax COP. Debt service is financed via gas tax revenues.

Capital Projects Fund:

Orangethorpe Corridor Capital Project Fund – Used to account for financing and construction of all rail projects within the boundaries of the City.

CITY OF PLACENTIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue				
	Miscellaneous Grants	Park Development	Measure M	Sewer Construction	Storm Drain Construction
ASSETS					
Cash and investments	\$ 352,986	\$ -	\$ 402,375	\$ -	\$ 42,806
Cash and investments with fiscal agent	-	-	-	-	-
Accounts receivable	8,095	8,269	-	-	-
Taxes receivable	-	-	81,245	-	-
Total Assets	<u>\$ 361,081</u>	<u>\$ 8,269</u>	<u>\$ 483,620</u>	<u>\$ -</u>	<u>\$ 42,806</u>
LIABILITIES					
Accounts payable	\$ 27,460	\$ -	\$ -	\$ -	\$ -
Payroll payable	4,302	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>31,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	329,319	8,269	483,620	-	42,806
Unassigned	-	-	-	-	-
Total Fund Balances	<u>329,319</u>	<u>8,269</u>	<u>483,620</u>	<u>-</u>	<u>42,806</u>
Total Liabilities and Fund Balances	<u>\$ 361,081</u>	<u>\$ 8,269</u>	<u>483,620</u>	<u>\$ -</u>	<u>\$ 42,806</u>

Special Revenue

Thoroughfare Construction	Undergrounding Utilities	Asset Seizure	Traffic Offender Fund	Supplemental Law Enforcement	Air Quality
\$ 37,854	\$ 39	\$ 378,492	\$ 32,056	\$ -	\$ 178,939
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	16,136
<u>\$ 37,854</u>	<u>\$ 39</u>	<u>\$ 378,492</u>	<u>\$ 32,056</u>	<u>\$ -</u>	<u>\$ 195,075</u>
\$ -	\$ -	\$ 10,287	\$ -	\$ -	\$ 4,189
-	-	-	-	-	-
-	-	-	-	-	-
-	-	10,287	-	-	4,189
-	-	-	-	-	-
37,854	39	368,205	32,056	-	190,886
-	-	-	-	-	-
<u>37,854</u>	<u>39</u>	<u>368,205</u>	<u>32,056</u>	<u>-</u>	<u>190,886</u>
<u>\$ 37,854</u>	<u>\$ 39</u>	<u>\$ 378,492</u>	<u>\$ 32,056</u>	<u>\$ -</u>	<u>\$ 195,075</u>

CITY OF PLACENTIA
COMBINING BALANCE SHEET (CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue			
	Landscape Maintenance District 92-1	Housing and Community Development	Utility Users Tax	Gasoline Tax
ASSETS				
Cash and investments	\$ 519,107	\$ -	\$ 434,188	\$ 612,131
Cash and investments with fiscal agent	-	-	-	-
Accounts receivable	-	107,120	-	-
Taxes receivable	2,121	-	212,852	24,388
Total Assets	\$ 521,228	\$ 107,120	\$ 647,040	\$ 636,519
LIABILITIES				
Accounts payable	\$ 149,372	\$ -	\$ -	\$ -
Payroll payable	2,874	-	-	-
Due to other funds	-	145,507	-	-
Total Liabilities	152,246	145,507	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	368,982	-	647,040	636,519
Unassigned	-	(38,387)	-	-
Total Fund Balances	368,982	(38,387)	647,040	636,519
Total Liabilities and Fund Balances	\$ 521,228	\$ 107,120	\$ 647,040	\$ 636,519

<u>Debt Service</u>	<u>Capital Projects</u>	
<u>2011 Gas Tax Fund</u>	<u>Orangethorpe Corridor</u>	<u>Total Non-Major Governmental Funds</u>
\$ -	\$ -	\$ 2,990,973
483,983	-	483,983
-	-	123,484
-	-	336,742
<u>\$ 483,983</u>	<u>\$ -</u>	<u>\$ 3,935,182</u>
\$ -	\$ -	\$ 191,308
-	-	7,176
-	-	145,507
<u>-</u>	<u>-</u>	<u>343,991</u>
-	-	-
483,983	-	3,629,578
-	-	(38,387)
<u>483,983</u>	<u>-</u>	<u>3,591,191</u>
<u>\$ 483,983</u>	<u>\$ -</u>	<u>\$ 3,935,182</u>

CITY OF PLACENTIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Miscellaneous Grants</u>	<u>Park Development</u>	<u>Measure M</u>	<u>Sewer Construction</u>	<u>Storm Drain Construction</u>
REVENUES					
Taxes:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Intergovernmental	1,121,350	-	458,881	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	-	366	1,387	6	105
Charges for services	-	-	-	-	-
Lease revenue	-	-	-	-	-
Miscellaneous	700,000	8,269	-	-	-
Total Revenues	<u>1,821,350</u>	<u>8,635</u>	<u>460,268</u>	<u>6</u>	<u>105</u>
EXPENDITURES					
Current:					
General government	34,343	-	-	-	-
Public safety	292,223	-	-	-	-
Public works	17,235	-	-	-	-
Community development	-	-	-	-	-
Redevelopment	-	-	-	-	-
Capital Outlay	14,676	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>358,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,462,873</u>	<u>8,635</u>	<u>460,268</u>	<u>6</u>	<u>105</u>
OTHER FINANCING SOURCES (USES)					
Extraordinary gain/(loss)	-	-	-	-	-
Transfers in	733,686	-	-	20,710	-
Transfers out	<u>(2,647,207)</u>	<u>(66,720)</u>	<u>(350,582)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,913,521)</u>	<u>(66,720)</u>	<u>(350,582)</u>	<u>20,710</u>	<u>-</u>
Net Change in Fund Balances	<u>(450,648)</u>	<u>(58,085)</u>	<u>109,686</u>	<u>20,716</u>	<u>105</u>
Fund Balances, Beginning of Year	<u>779,967</u>	<u>66,354</u>	<u>373,934</u>	<u>(20,716)</u>	<u>42,701</u>
Fund Balances, End of Year	<u>\$ 329,319</u>	<u>\$ 8,269</u>	<u>\$ 483,620</u>	<u>\$ -</u>	<u>\$ 42,806</u>

<u>Thoroughfare Construction</u>	<u>Undergrounding Utilities</u>	<u>Asset Seizure</u>	<u>Traffic Offender Fund</u>	<u>Supplemental Law Enforcement</u>	<u>Air Quality</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	100,000	61,624
-	-	373,716	-	-	-
93	-	738	67	104	518
-	-	-	14,372	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>93</u>	<u>-</u>	<u>374,454</u>	<u>14,439</u>	<u>100,104</u>	<u>62,142</u>
-	-	-	-	-	-
-	-	50,880	-	-	-
-	-	-	-	-	9,982
-	-	-	-	-	-
-	-	-	-	-	-
-	-	138,069	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>188,949</u>	<u>-</u>	<u>-</u>	<u>9,982</u>
<u>93</u>	<u>-</u>	<u>185,505</u>	<u>14,439</u>	<u>100,104</u>	<u>52,160</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,231)</u>	<u>(37,763)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,231)</u>	<u>(37,763)</u>
93	-	185,505	14,439	(127)	14,397
37,761	39	182,700	17,617	127	176,489
<u>\$ 37,854</u>	<u>\$ 39</u>	<u>\$ 368,205</u>	<u>\$ 32,056</u>	<u>\$ -</u>	<u>\$ 190,886</u>

CITY OF PLACENTIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(CONTINUED)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Landscape Maintenance District 92-1	Housing and Community Development	Utility Users Tax	Gasoline Tax
REVENUES				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	2,863,211	-
Intergovernmental	-	135,000	-	1,108,691
Fines and forfeitures	-	-	-	-
Investment income	1,286	-	-	1,753
Charges for services	395,148	-	-	-
Lease revenueservices	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	396,434	135,000	2,863,211	1,110,444
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	582,254	-	-	-
Community development	-	135,016	-	-
Redevelopment	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	582,254	135,016	-	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(185,820)	(16)	2,863,211	1,110,444
OTHER FINANCING SOURCES (USES)				
Extraordinary gain/(loss)	-	-	-	-
Transfers in	-	190,568	-	-
Transfers out	-	-	(2,439,884)	(632,425)
Total Other Financing Sources (Uses)	-	190,568	(2,439,884)	(632,425)
Net Change in Fund Balances	(185,820)	190,552	423,327	478,019
Fund Balances, Beginning of Year	554,802	(228,939)	223,713	158,500
Fund Balances, End of Year	\$ 368,982	\$ (38,387)	\$ 647,040	\$ 636,519

2011 Gax Tax COP	Orangethorpe Corridor	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -
-	-	2,863,211
-	-	2,985,546
-	-	373,716
918	-	7,341
-	-	409,520
-	-	-
-	-	708,269
<u>918</u>	<u>-</u>	<u>7,347,603</u>
3,904	-	38,247
-	-	343,103
-	-	609,471
-	-	135,016
-	-	-
-	-	152,745
205,000	-	205,000
274,994	-	274,994
<u>483,898</u>	<u>-</u>	<u>1,758,576</u>
<u>(482,980)</u>	<u>-</u>	<u>5,589,027</u>
-	-	-
479,994	-	1,424,958
<u>(4,650,698)</u>	<u>(365,804)</u>	<u>(11,291,314)</u>
<u>(4,170,704)</u>	<u>(365,804)</u>	<u>(9,866,356)</u>
<u>(4,653,684)</u>	<u>(365,804)</u>	<u>(4,277,329)</u>
<u>5,137,667</u>	<u>365,804</u>	<u>7,868,520</u>
<u>\$ 483,983</u>	<u>\$ -</u>	<u>\$ 3,591,191</u>

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CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MISCELLANEOUS GRANT FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 146,900	\$ 1,121,350	\$ 974,450
Miscellaneous	126,000	700,000	574,000
Total Revenues	<u>272,900</u>	<u>1,821,350</u>	<u>1,548,450</u>
EXPENDITURES			
Current:			
General government	-	34,343	(34,343)
Public safety	146,900	292,223	(145,323)
Public works	82,000	17,235	64,765
Capital Outlay	-	14,676	(14,676)
Total Expenditures	<u>228,900</u>	<u>358,477</u>	<u>(129,577)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>44,000</u>	<u>1,462,873</u>	<u>1,418,873</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	733,686	733,686
Transfers out	<u>(2,282,670)</u>	<u>(2,647,207)</u>	<u>(364,537)</u>
Total Other Financing Sources (Uses)	<u>(2,282,670)</u>	<u>(1,913,521)</u>	<u>369,149</u>
Net Change in Fund Balance	(2,238,670)	(450,648)	1,788,022
Fund Balance, Beginning of Year	779,967	779,967	-
Fund Balance, End of Year	<u><u>\$ (1,458,703)</u></u>	<u><u>\$ 329,319</u></u>	<u><u>\$ 1,788,022</u></u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 366	\$ 366
Charges for services	50,000	-	(50,000)
Miscellaneous	-	8,269	8,269
Total Revenues	50,000	8,635	(41,365)
 OTHER FINANCING SOURCES (USES)			
Transfers Out	-	(66,720)	(66,720)
Total Other Financing Sources	-	(66,720)	(66,720)
Net Change in Fund Balance	50,000	(58,085)	(108,085)
Fund Balance, Beginning of Year	66,354	66,354	-
Fund Balance, End of Year	\$ 116,354	\$ 8,269	\$ (108,085)

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MEASURE M FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ 470,000	\$ 458,881	\$ (11,119)
Investment income	-	1,387	1,387
Total Revenues	<u>470,000</u>	<u>460,268</u>	<u>(9,732)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	<u>(350,582)</u>	<u>(350,582)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(350,582)</u>	<u>350,582</u>
 Net Change in Fund Balance	 470,000	 109,686	 (360,314)
 Fund Balance, Beginning of Year	 373,934	 373,934	 -
Fund Balance, End of Year	<u>\$ 843,934</u>	<u>\$ 483,620</u>	<u>\$ (360,314)</u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SEWER CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 6	\$ 6
Total Revenues	<u>-</u>	<u>6</u>	<u>6</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	20,710	20,710
Total Other Financing Sources (Uses)	<u>-</u>	<u>20,710</u>	<u>20,710</u>
Net Change in Fund Balance	-	20,716	20,716
Fund Balance, Beginning of Year	(20,716)	(20,716)	-
Fund Balance, End of Year	<u>\$ (20,716)</u>	<u>\$ -</u>	<u>\$ 20,716</u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STORM DRAIN CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2013**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Investment income	\$ -	\$ 105	\$ 105
Total Revenues	<u>-</u>	<u>105</u>	<u>105</u>
Net Change in Fund Balance	-	105	105
Fund Balance, Beginning of Year	<u>42,701</u>	<u>42,701</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 42,701</u>	<u>\$ 42,806</u>	<u>\$ 105</u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
THOROUGHFARE CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 93	\$ 93
Total Revenues	-	93	93
Net Change in Fund Balance	-	93	93
Fund Balance, Beginning of Year	37,761	37,761	-
Fund Balance, End of Year	\$ 37,761	\$ 37,854	\$ 93

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ASSET SEIZURE FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Fines and forfeitures	\$ -	\$ 373,716	\$ 373,716
Investment income	-	738	738
Total Revenues	<u>-</u>	<u>374,454</u>	<u>374,454</u>
EXPENDITURES			
Current:			
Public safety	60,000	50,880	9,120
Capital outlay	<u>130,784</u>	<u>138,069</u>	<u>(7,285)</u>
Total Expenditures	<u>190,784</u>	<u>188,949</u>	<u>1,835</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(190,784)</u>	<u>185,505</u>	<u>376,289</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(70,000)</u>	-	<u>70,000</u>
Total Other Financing Sources (Uses)	<u>(70,000)</u>	<u>-</u>	<u>70,000</u>
Net Change in Fund Balance	(260,784)	185,505	446,289
Fund Balance, Beginning of Year	<u>182,700</u>	<u>182,700</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (78,084)</u>	<u>\$ 368,205</u>	<u>\$ 446,289</u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRAFFIC OFFENDER FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Investment income	\$ -	\$ 67	\$ 67
Charges for services	4,500	14,372	9,872
Total Revenues	4,500	14,439	9,939
Net Change in Fund Balance	4,500	14,439	9,939
Fund Balance, Beginning of Year	17,617	17,617	-
Fund Balance, End of Year	\$ 22,117	\$ 32,056	\$ 9,939

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SUPPLEMENTAL LAW ENFORCEMENT SERVICE FUND
YEAR ENDED JUNE 30, 2013**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 78,103	\$ 100,000	\$ 21,897
Investment income	-	104	104
Total Revenues	<u>78,103</u>	<u>100,104</u>	<u>22,001</u>
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>-</u>	<u>(100,231)</u>	<u>(100,231)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(100,231)</u>	<u>(100,231)</u>
Net Change in Fund Balance	78,103	(127)	(78,230)
Fund Balance, Beginning of Year	127	127	-
Fund Balance, End of Year	<u>\$ 78,230</u>	<u>\$ -</u>	<u>\$ (78,230)</u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AIR QUALITY IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental	\$ 60,000	\$ 61,624	\$ 1,624
Investment income	-	518	518
Total Revenues	<u>60,000</u>	<u>62,142</u>	<u>2,142</u>
EXPENDITURES			
Public works	<u>11,000</u>	<u>9,982</u>	<u>1,018</u>
Total Expenditures	<u>11,000</u>	<u>9,982</u>	<u>1,018</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>49,000</u>	<u>52,160</u>	<u>3,160</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(207,805)</u>	<u>(37,763)</u>	<u>170,042</u>
Total Other Financing Sources (Uses)	<u>(207,805)</u>	<u>(37,763)</u>	<u>170,042</u>
Net Change in Fund Balance	(158,805)	14,397	173,202
Fund Balance, Beginning of Year	<u>176,489</u>	<u>176,489</u>	-
Fund Balance, End of Year	<u>\$ 17,684</u>	<u>\$ 190,886</u>	<u>\$ 173,202</u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
LANDSCAPE MAINTENANCE DISTRICT 92-1 FUND
YEAR ENDED JUNE 30, 2013**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Investment income	\$ -	\$ 1,286	\$ 1,286
Charges for services	<u>232,629</u>	<u>395,148</u>	<u>162,519</u>
Total Revenues	<u>232,629</u>	<u>396,434</u>	<u>163,805</u>
EXPENDITURES			
Current:			
Public works	<u>624,210</u>	<u>582,254</u>	<u>41,956</u>
Total Expenditures	<u>624,210</u>	<u>582,254</u>	<u>41,956</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(391,581)</u>	<u>(185,820)</u>	<u>205,761</u>
Net Change in Fund Balance	(391,581)	(185,820)	205,761
Fund Balance, Beginning of Year	<u>554,802</u>	<u>554,802</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 163,221</u>	<u>\$ 368,982</u>	<u>\$ 205,761</u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
HOUSING AND COMMUNITY DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2013**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ -	\$ 135,000	\$ 135,000
Total Revenues	<u>-</u>	<u>135,000</u>	<u>135,000</u>
EXPENDITURES			
Current:			
Community development	<u>135,000</u>	<u>135,016</u>	<u>(16)</u>
Total Expenditures	<u>135,000</u>	<u>135,016</u>	<u>(16)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (135,000)</u>	<u>(16)</u>	<u>134,984</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>190,568</u>	<u>190,568</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>190,568</u>	<u>190,568</u>
Net Change in Fund Balance	(135,000)	190,552	325,552
Fund Balance, Beginning of Year	<u>(228,939)</u>	<u>(228,939)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (363,939)</u></u>	<u><u>\$ (38,387)</u></u>	<u><u>\$ 325,552</u></u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
UTILITY USERS TAX FUND
YEAR ENDED JUNE 30, 2013**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Other taxes	\$ 2,710,000	\$ 2,863,211	\$ 153,211
Total Revenues	2,710,000	2,863,211	153,211
 OTHER FINANCING SOURCES (USES)			
Transfers out	(2,710,000)	(2,439,884)	270,116
Total Other Financing Sources (Uses)	(2,710,000)	(2,439,884)	270,116
Net Change in Fund Balance	-	423,327	423,327
Fund Balance, Beginning of Year	223,713	223,713	-
Fund Balance, End of Year	\$ 223,713	\$ 647,040	\$ 423,327

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GASOLINE TAX FUND
YEAR ENDED JUNE 30, 2013**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ 1,408,100	\$ 1,108,691	\$ (299,409)
Investment income	-	1,753	1,753
Total Revenues	<u>1,408,100</u>	<u>1,110,444</u>	<u>(297,656)</u>
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(920,000)</u>	<u>(632,425)</u>	<u>287,575</u>
Total Other Financing Sources (Uses)	<u>(920,000)</u>	<u>(632,425)</u>	<u>287,575</u>
Net Change in Fund Balance	488,100	478,019	(10,081)
Fund Balance, Beginning of Year	<u>158,500</u>	<u>158,500</u>	-
Fund Balance, End of Year	<u><u>\$ 646,600</u></u>	<u><u>\$ 636,519</u></u>	<u><u>\$ (10,081)</u></u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
2011 GAX TAX COP FUND
YEAR ENDED JUNE 30, 2013**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Investment income	\$ 90,000	\$ 918	\$ (89,082)
Total Revenues	<u>90,000</u>	<u>918</u>	<u>(89,082)</u>
EXPENDITURES			
Current:			
General government	1,500	3,904	(2,404)
Debt Service:			
Principal	205,000	205,000	-
Interest	274,994	274,994	-
Total Expenditures	<u>481,494</u>	<u>483,898</u>	<u>(2,404)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(391,494)</u>	<u>(482,980)</u>	<u>(91,486)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	479,994	479,994
Transfers out	(4,522,000)	(4,650,698)	(128,698)
Total Other Financing Sources (Uses)	<u>(4,522,000)</u>	<u>(4,170,704)</u>	<u>351,296</u>
Net Change in Fund Balance	(4,913,494)	(4,653,684)	259,810
Fund Balance, Beginning of Year	5,137,667	5,137,667	-
Fund Balance, End of Year	<u>\$ 224,173</u>	<u>\$ 483,983</u>	<u>\$ 259,810</u>

CITY OF PLACENTIA

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ORANGETHORPE CORRIDOR FUND
YEAR ENDED JUNE 30, 2013**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	\$ -	\$ (365,804)	\$ (365,804)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(365,804)</u>	<u>(365,804)</u>
Net Change in Fund Balance	-	(365,804)	(365,804)
Fund Balance, Beginning of Year	365,804	365,804	-
Fund Balance, End of Year	<u>\$ 365,804</u>	<u>\$ -</u>	<u>\$ (365,804)</u>

CITY OF PLACENTIA

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one City department to others, or to other governmental units, on a cost-reimbursement basis (including depreciation).

Risk Management Fund – To account for payments made for insurance services relative to workers' compensation, unemployment, and general liability.

Health and Welfare Fund – To account for payments made for insurance services relative to health and welfare.

Equipment Replacement Fund – To account for the acquisition of vehicles and other significant equipment, and to accumulate funds for equipment replacement.

Information Technology Fund – To account for the acquisition of computers and other technological equipment, and to accumulate funds for equipment replacement.

Citywide Services Fund – To account for reprographics, vehicle maintenance, and building maintenance.

CITY OF PLACENTIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF FUND NET ASSETS
JUNE 30, 2013

	<u>Risk Management</u>	<u>Health and Welfare</u>	<u>Equipment Replacement</u>	<u>Information Technology</u>	<u>Citywide Services</u>	<u>Total</u>
ASSETS						
Current Assets						
Cash and investments	\$ 2,968,031	\$ 35,957	\$ 46,555	\$ 85,277	\$ 375,817	\$ 3,511,637
Deposits	83,636	16,592	-	-	-	100,228
Inventory of supplies	-	-	-	-	48,472	48,472
Total Current Assets	<u>3,051,667</u>	<u>52,549</u>	<u>46,555</u>	<u>85,277</u>	<u>424,289</u>	<u>3,660,337</u>
Noncurrent assets						
Equipment, net of accumulated depreciation	-	-	219,481	51,901	7,927	279,309
Total Assets	<u>3,051,667</u>	<u>52,549</u>	<u>266,036</u>	<u>137,178</u>	<u>432,216</u>	<u>3,939,646</u>
LIABILITIES						
Current Liabilities:						
Accounts payable	97,572	10,692	-	22,223	195,870	326,357
Payroll payable	-	4,191	-	-	6,348	10,539
Insurance claims payable, current	832,773	-	-	-	-	832,773
Total Current Liabilities	<u>930,345</u>	<u>14,883</u>	<u>-</u>	<u>22,223</u>	<u>202,218</u>	<u>1,169,669</u>
Noncurrent Liabilities:						
Insurance claims payable	2,121,322	-	-	-	-	2,121,322
Total Current Liabilities	<u>3,051,667</u>	<u>14,883</u>	<u>-</u>	<u>22,223</u>	<u>202,218</u>	<u>3,290,991</u>
NET ASSETS						
Invested in capital assets, net of related debt						
	-	-	219,481	51,901	7,927	279,309
Unrestricted	-	37,666	46,555	63,054	222,071	369,346
Total Net Assets	<u>\$ -</u>	<u>\$ 37,666</u>	<u>\$ 266,036</u>	<u>\$ 114,955</u>	<u>\$ 229,998</u>	<u>\$ 648,655</u>

CITY OF PLACENTIA

INTERNAL SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2013**

	<u>Risk Management</u>	<u>Health and Welfare</u>	<u>Equipment Replacement</u>	<u>Information Technology</u>	<u>Citywide Services</u>	<u>Total</u>
OPERATING REVENUES						
Reimbursements	\$ 2,204	\$ 64,005	\$ 16,073	\$ -	\$ -	\$ 82,282
Miscellaneous	-	-	30,392	-	-	30,392
Total Operating Revenues	<u>2,204</u>	<u>64,005</u>	<u>46,465</u>	<u>-</u>	<u>-</u>	<u>112,674</u>
OPERATING EXPENSES						
Administration	253,308	-	-	340,672	2,007,519	2,601,499
Reinsurance premiums	(170)	145,257	-	-	-	145,087
Claims	1,218,516	-	-	-	-	1,218,516
Medical and dental premiums	-	991,397	-	-	-	991,397
Liability insurance premiums	581,375	16,953	-	-	-	598,328
Depreciation expense	-	-	114,684	77,105	6,882	198,671
Total Operating Expenses	<u>2,053,029</u>	<u>1,153,607</u>	<u>114,684</u>	<u>417,777</u>	<u>2,014,401</u>	<u>5,753,498</u>
Operating Income (Loss) Before Transfers	<u>(2,050,825)</u>	<u>(1,089,602)</u>	<u>(68,219)</u>	<u>(417,777)</u>	<u>(2,014,401)</u>	<u>(5,640,824)</u>
Transfers in	2,250,825	1,089,601	-	417,777	2,244,641	6,002,844
Transfers out	-	-	-	-	-	-
Net Income (Loss)	200,000	(1)	(68,219)	-	230,240	362,020
Fund Net Assets at Beginning of Year	<u>(200,000)</u>	<u>37,667</u>	<u>334,255</u>	<u>114,955</u>	<u>(242)</u>	<u>286,635</u>
Fund Net Assets at End of Year	<u>\$ -</u>	<u>\$ 37,666</u>	<u>\$ 266,036</u>	<u>\$ 114,955</u>	<u>\$ 229,998</u>	<u>\$ 648,655</u>

CITY OF PLACENTIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2013

	Risk Management	Health and Welfare
Cash Flows from Operating Activities:		
Cash received from (paid to) user customers	\$ (30,651)	\$ 85,214
Cash payments to suppliers for goods and services	(824,987)	(1,142,915)
Cash payments to employees	(196,349)	4,057
Net Cash Provided by (Used for) Operating Activities	<u>(1,051,987)</u>	<u>(1,053,644)</u>
Cash Flows from Non-Capital Financing Activities:		
Cash received from other funds	<u>2,250,825</u>	<u>1,089,601</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>2,250,825</u>	<u>1,089,601</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,198,838	35,957
Cash and Cash Equivalents at Beginning of Year	<u>1,769,193</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,968,031</u>	<u>\$ 35,957</u>
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by (Used for) Operating Activities:		
Operating income (loss)	<u>\$ (2,050,825)</u>	<u>\$ (1,089,602)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	-	-
(Increase) decrease in accounts receivable	-	187
(Increase) decrease in deposits	(32,855)	21,022
(Increase) decrease in inventory of supplies	-	-
Increase (decrease) in accounts payable	-	10,692
Increase (decrease) in payroll payable	56,959	4,057
Increase (decrease) in deferred revenue	-	-
Increase (decrease) in insurance claims payable	974,734	-
Total Adjustments	<u>998,838</u>	<u>35,958</u>
Net Cash Provided By (used for) Operating Activities	<u>\$ (1,051,987)</u>	<u>\$ (1,053,644)</u>

<u>Equipment Replacement</u>	<u>Information Technology</u>	<u>Citywide Services</u>	<u>Total</u>
\$ 46,555	\$ -	\$ -	\$ 101,118
-	(332,127)	(1,729,912)	(4,029,941)
-	(373)	(245,150)	(437,815)
<u>46,555</u>	<u>(332,500)</u>	<u>(1,975,062)</u>	<u>(4,366,638)</u>
-	417,777	2,244,641	6,002,844
-	417,777	2,244,641	6,002,844
46,555	85,277	269,579	1,636,206
-	-	106,238	1,875,431
<u>\$ 46,555</u>	<u>\$ 85,277</u>	<u>\$ 375,817</u>	<u>\$ 3,511,637</u>
<u>\$ (68,219)</u>	<u>\$ (417,777)</u>	<u>\$ (2,014,401)</u>	<u>\$ (5,640,824)</u>
114,684	77,105	6,882	198,671
90	-	-	277
-	-	-	(11,833)
-	-	1,038	1,038
-	8,453	30,764	49,909
-	(281)	655	61,390
-	-	-	-
-	-	-	974,734
<u>114,774</u>	<u>85,277</u>	<u>39,339</u>	<u>1,274,186</u>
<u>\$ 46,555</u>	<u>\$ (332,500)</u>	<u>\$ (1,975,062)</u>	<u>\$ (4,366,638)</u>

CITY OF PLACENTIA

AGENCY FUNDS

The Agency Funds are used to account for funds when the City is acting as an agent for other governmental units, private organizations, or individuals.

Special Deposits Fund - To account for monies held and disbursed by the City in the capacity of an agent for individuals, developers or other entities.

Community Facilities District Fund - To account for monies held and disbursed by the City in the capacity of an agent for developers or other entities. Also, to account for the collection and payment to the holders of the Community Facilities District 89-1 Special Tax Bonds.

H.C.D. Rehabilitation Loans Fund - To account for monies held and disbursed by the City for the H.C.D. Rehabilitation Loan Program.

Alta Vista 85-1 District Fund - To account for the collection and payment to the holders of the 1915 Act Assessment 85-1 District Bonds.

CITY OF PLACENTIA

**AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2013**

	Special Deposits	Community Facilities District	H.C.D. Rehabilitation Loans	Alta Vista 85-1 District	Total
ASSETS					
Cash and investments	\$ 852,567	\$ 2,605,615	\$ 165,693	\$ -	\$ 3,623,875
Cash and investments with fiscal agent	-	1,880,426	-	-	1,880,426
Accounts Receivable	-	-	-	-	-
Taxes Receivable	-	25,586	-	-	25,586
Notes receivable pledged as collateral for H.C.D. rehabilitation loans	-	-	-	-	-
Total Assets	<u>\$ 852,567</u>	<u>\$ 4,511,627</u>	<u>\$ 165,693</u>	<u>\$ -</u>	<u>\$ 5,529,887</u>
LIABILITIES					
Due to other governments	\$ -	\$ -	\$ 165,693	\$ -	\$ 165,693
Deposits payable	<u>852,567</u>	<u>4,511,627</u>	<u>-</u>	<u>-</u>	<u>5,364,194</u>
Total Liabilities	<u>\$ 852,567</u>	<u>\$ 4,511,627</u>	<u>\$ 165,693</u>	<u>\$ -</u>	<u>\$ 5,529,887</u>

CITY OF PLACENTIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
<u>SPECIAL DEPOSITS</u>				
ASSETS				
Cash and investments	\$ 1,131,720	\$ 438,967	\$ (718,120)	\$ 852,567
Accounts receivable	36,114	-	(36,114)	-
Total Assets	<u>\$ 1,167,834</u>	<u>\$ 438,967</u>	<u>\$ (754,234)</u>	<u>\$ 852,567</u>
LIABILITIES				
Deposits payable	<u>\$ 1,167,834</u>	<u>\$ 438,967</u>	<u>\$ (754,234)</u>	<u>\$ 852,567</u>
<u>COMMUNITY FACILITIES DISTRICT</u>				
ASSETS				
Cash and investments	\$ 2,571,414	\$ 2,943,967	\$ (2,909,766)	\$ 2,605,615
Cash and investments with fiscal agent	2,174,851	2,901,297	(3,195,722)	1,880,426
Taxes receivable	47,614	25,586	(47,614)	25,586
Total Assets	<u>\$ 4,793,879</u>	<u>\$ 5,870,850</u>	<u>\$ (6,153,102)</u>	<u>\$ 4,511,627</u>
LIABILITIES				
Deposits payable	<u>\$ 4,793,879</u>	<u>\$ 5,870,850</u>	<u>\$ (6,153,102)</u>	<u>\$ 4,511,627</u>
<u>H.C.D. REHABILITATION LOANS</u>				
ASSETS				
Cash and investments	\$ 164,970	\$ 723	\$ -	\$ 165,693
Notes receivable pledged as collateral	4,680	-	(4,680)	-
Total Assets	<u>\$ 169,650</u>	<u>\$ 723</u>	<u>\$ (4,680)</u>	<u>\$ 165,693</u>
LIABILITIES				
Due to other governments	<u>\$ 169,650</u>	<u>\$ 723</u>	<u>\$ (4,680)</u>	<u>\$ 165,693</u>
<u>ALTA VISTA 85-1 DISTRICT</u>				
ASSETS				
Cash and investments	\$ 1,157	\$ -	\$ (1,157)	\$ -
Total Assets	<u>\$ 1,157</u>	<u>\$ -</u>	<u>\$ (1,157)</u>	<u>\$ -</u>
LIABILITIES				
Deposits payable	<u>\$ 1,157</u>	<u>\$ -</u>	<u>\$ (1,157)</u>	<u>\$ -</u>
<u>TOTALS-ALL AGENCY FUNDS</u>				
ASSETS				
Cash and investments	\$ 3,869,261	\$ 3,383,657	\$ (3,629,043)	\$ 3,623,875
Cash and investments with fiscal agent	2,174,851	2,901,297	(3,195,722)	1,880,426
Acocunts receivable	36,114	-	(36,114)	-
Taxes receivable	47,614	25,586	(47,614)	25,586
Notes receivable pledged as collateral	4,680	-	(4,680)	-
Total Assets	<u>\$ 6,132,520</u>	<u>\$ 6,310,540</u>	<u>\$ (6,913,173)</u>	<u>\$ 5,529,887</u>
LIABILITIES				
Due to other governments	\$ 169,650	\$ 723	\$ (4,680)	\$ 165,693
Deposits payable	5,962,870	6,309,817	(6,908,493)	5,364,194
Total Liabilities	<u>\$ 6,132,520</u>	<u>\$ 6,310,540</u>	<u>\$ (6,913,173)</u>	<u>\$ 5,529,887</u>

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STATISTICAL SECTION

(Unaudited)

This part of the City of Placentia's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends - These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.

Net Assets by Component – Last Ten Fiscal Years	115
Changes in Net Assets – Last Ten Fiscal Years	116-117
Fund Balances of Governmental Funds – Last Ten Fiscal Years	118
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	119-120
General Governmental Tax Revenue by Source – Last Ten Fiscal Years	121

Revenue Capacity - These schedules contain information to help the reader assess the City's property tax.

Assessed Value of Taxable Property – Last Ten Fiscal Years	122
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	123
Principal Property Taxpayers – Current Year and Nine Years Ago	124
Property Tax Levies and Collections – Last Ten Fiscal Years	125

Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	126
Direct and Overlapping Governmental Activity Debt – As of June 30, 2013	127
Legal Debt Margin Information – Last Ten Fiscal Years	128

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Demographic and Economic Statistics – Last Ten Calendar Years	129
Taxable Sales by Category	130

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Full-time City Employees by Department – Last Ten Fiscal Years	131
Operational Indicators by Function/Program – Last Seven Fiscal Years	132
Capital Assets Statistics by Function/Program – Last Ten Fiscal Years	133

CITY OF PLACENTIA

**Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	\$ 14,705	\$ 66,401	\$ 71,954	\$ 82,805	\$ 69,881	\$ 78,071	\$ 58,119	\$ 60,198	\$ 70,726	\$ 78,273
Restricted	3,871	7,047	7,234	6,104	5,316	7,785	-	8,717	2,981	3,630
Unrestricted	1,612	(25,373)	(14,159)	(20,936)	(20,681)	(38,860)	(9,756)	(12,267)	(7,936)	(14,229)
Total governmental activities net assets	<u>\$ 20,188</u>	<u>\$ 48,075</u>	<u>\$ 65,029</u>	<u>\$ 67,973</u>	<u>\$ 54,516</u>	<u>\$ 46,996</u>	<u>\$ 48,363</u>	<u>\$ 56,648</u>	<u>\$ 65,771</u>	<u>\$ 67,674</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 669	\$ 579	\$ 535	\$ 474	\$ 13,725	\$ 13,134	\$ 12,543	\$ 13,277	\$ 12,686	\$ 12,275
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	62	384	1,542	2,603	3,578	2,921	5,076	(1,041)	(874)	(1,115)
Total business-type activities net assets	<u>\$ 731</u>	<u>\$ 963</u>	<u>\$ 2,077</u>	<u>\$ 3,077</u>	<u>\$ 17,303</u>	<u>\$ 16,055</u>	<u>\$ 17,619</u>	<u>\$ 12,236</u>	<u>\$ 11,812</u>	<u>\$ 11,160</u>
Primary government										
Invested in capital assets, net of related debt	\$ 15,374	\$ 66,980	\$ 72,489	\$ 83,279	\$ 83,606	\$ 91,205	\$ 70,662	\$ 73,475	\$ 83,412	\$ 90,548
Restricted	3,871	7,047	7,234	6,104	5,316	7,785	-	8,717	2,981	3,630
Unrestricted	1,674	(24,989)	(12,617)	(18,333)	(17,103)	(35,939)	(4,680)	(13,308)	(8,810)	(15,344)
Total primary government net assets	<u>\$ 20,919</u>	<u>\$ 49,038</u>	<u>\$ 67,106</u>	<u>\$ 71,050</u>	<u>\$ 71,819</u>	<u>\$ 63,051</u>	<u>\$ 65,982</u>	<u>\$ 68,884</u>	<u>\$ 77,583</u>	<u>\$ 78,834</u>

Source: City of Placentia, Finance Department

CITY OF PLACENTIA

**Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 3,111	\$ 3,617	\$ 4,117	\$ 1,984	\$ 2,693	\$ 3,801	\$ 8,664	\$ 4,974	\$ 10,833	\$ 10,516
Public safety	13,869	14,328	16,044	16,342	17,481	17,568	15,770	18,342	16,104	16,965
Public works	5,246	8,910	4,136	8,812	8,435	8,019	4,222	6,466	6,525	6,506
Community services	2,521	2,099	2,091	2,964	3,608	2,820	1,850	1,145	1,034	1,011
Redevelopment	766	599	2,109	674	682	1,305	1,755	2,077	658	-
SERAF	-	-	-	-	-	-	843	174	-	-
Interest on long-term debt	626	1,392	1,378	1,357	1,361	1,197	1,718	1,892	1,414	603
Total governmental activities	<u>26,139</u>	<u>30,945</u>	<u>29,875</u>	<u>32,133</u>	<u>34,260</u>	<u>34,710</u>	<u>34,822</u>	<u>35,070</u>	<u>36,568</u>	<u>35,601</u>
Business-type activities:										
Refuse	2,013	2,107	2,286	2,430	2,599	3,163	2,579	2,779	2,880	2,933
Compressed natural gas	222	324	347	363	410	143	425	464	100	137
Sewer maintenance	-	41	214	682	808	928	1,029	1,404	1,114	1,143
Total business-type activities	<u>2,235</u>	<u>2,472</u>	<u>2,847</u>	<u>3,475</u>	<u>3,817</u>	<u>4,234</u>	<u>4,033</u>	<u>4,647</u>	<u>4,094</u>	<u>4,213</u>
Total primary government expenses	<u>\$ 28,374</u>	<u>\$ 33,417</u>	<u>\$ 32,722</u>	<u>\$ 35,608</u>	<u>\$ 38,077</u>	<u>\$ 38,944</u>	<u>\$ 38,855</u>	<u>\$ 39,717</u>	<u>\$ 40,662</u>	<u>\$ 39,814</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,577	\$ 1,584	\$ 1,456	\$ 761	\$ 745	\$ 1,302	\$ 1,556	\$ 3,003	\$ 2,091	\$ 2,268
Public safety	486	795	714	1,085	876	1,116	947	1,740	1,556	1,570
Public works	418	420	469	925	1,162	1,280	1,131	1,204	1,548	1,539
Community Services	387	468	466	545	660	511	505	427	776	317
Operating grants	2,833	2,402	-	3,149	3,124	2,425	3,883	2,608	2,137	1,656
Capital grants and contributions	5,674	423	-	4,234	4,238	3,372	3,377	2,128	1,605	1,256
Total governmental activities program revenues	<u>11,375</u>	<u>6,092</u>	<u>3,105</u>	<u>10,699</u>	<u>10,805</u>	<u>10,006</u>	<u>11,399</u>	<u>11,110</u>	<u>9,713</u>	<u>8,606</u>
Business-type activities:										
Charges for services										
Refuse	2,513	2,503	2,701	2,923	3,032	2,898	3,015	2,432	2,730	2,749
Compressed natural gas	115	213	293	430	419	372	417	541	76	335
Sewer maintenance	-	18	933	1,126	1,069	830	898	778	858	876
Capital grants and contributions	23	-	-	-	-	-	501	-	-	-
Total business-type activities program revenues	<u>2,651</u>	<u>2,734</u>	<u>3,927</u>	<u>4,479</u>	<u>4,520</u>	<u>4,100</u>	<u>4,831</u>	<u>3,751</u>	<u>3,664</u>	<u>3,960</u>
Total primary government program revenues	<u>14,026</u>	<u>8,826</u>	<u>7,032</u>	<u>15,178</u>	<u>15,325</u>	<u>14,106</u>	<u>16,230</u>	<u>14,861</u>	<u>13,377</u>	<u>12,566</u>
Net (expense)/revenue										
Governmental activities	(14,764)	(24,853)	(26,770)	(21,434)	(23,455)	(24,704)	(23,423)	(23,960)	(26,855)	(26,995)
Business-type activities	416	262	1,080	1,004	703	(134)	798	(896)	(430)	(253)
Total primary government net expenses	<u>\$ (14,348)</u>	<u>\$ (24,591)</u>	<u>\$ (25,690)</u>	<u>\$ (20,430)</u>	<u>\$ (22,752)</u>	<u>\$ (24,838)</u>	<u>\$ (22,625)</u>	<u>\$ (24,856)</u>	<u>\$ (27,285)</u>	<u>\$ (27,248)</u>

Source: City of Placentia, Finance Department

CITY OF PLACENTIA

Changes in Net Assets Last Ten Fiscal Years (continued) (accrual basis of accounting) (amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property	\$ 6,796	\$ 9,662	\$ 11,078	\$ 12,918	\$ 13,791	\$ 13,827	\$ 12,553	\$ 13,416	\$ 12,452	\$ 11,389
Sales and use	5,682	5,372	5,704	5,820	5,452	4,686	3,930	5,063	4,225	4,160
Utility users	2,214	2,304	2,604	2,756	2,603	2,822	2,694	2,767	2,851	2,863
Franchise	1,127	1,253	1,156	1,077	1,226	1,150	1,203	2,453	2,056	2,186
Other	795	938	1,068	1,001	891	803	1,762	771	805	998
Motor vehicle in lieu	2,177	1,102	314	259	216	188	153	126	1,386	1,359
Investment income	150	296	642	261	46	43	39	595	199	197
Other	481	1,381	1,984	214	350	972	715	2,339	1,047	2,918
Special item	-	-	-	-	-	(4,047)	2,500	-	-	-
Extraordinary item	-	-	-	-	-	(5,562)	-	-	10,880	-
Transfers	284	29	14	71	249	1,145	566	831	76	248
Total governmental activities	<u>19,706</u>	<u>22,337</u>	<u>24,564</u>	<u>24,377</u>	<u>24,824</u>	<u>16,027</u>	<u>26,115</u>	<u>28,361</u>	<u>35,977</u>	<u>26,318</u>
Business-type activities										
Investment income	-	-	48	66	86	31	6	8	8	5
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Gain on disposal of assets	-	-	-	2	-	-	-	-	-	-
Other	-	-	-	-	15	-	-	-	75	75
Transfers	(284)	(29)	(14)	(71)	(249)	(1,145)	(566)	(831)	(76)	(478)
Total business-type activities	<u>(284)</u>	<u>(29)</u>	<u>34</u>	<u>(3)</u>	<u>(148)</u>	<u>(1,114)</u>	<u>(560)</u>	<u>(823)</u>	<u>7</u>	<u>(398)</u>
Total primary government	<u>\$ 19,422</u>	<u>\$ 22,308</u>	<u>\$ 24,598</u>	<u>\$ 24,374</u>	<u>\$ 24,676</u>	<u>\$ 14,913</u>	<u>\$ 25,555</u>	<u>\$ 27,538</u>	<u>\$ 35,984</u>	<u>\$ 25,920</u>
Change in Net Assets										
Governmental activities	\$ 4,942	\$ (2,516)	\$ (2,206)	\$ 2,943	\$ 1,369	\$ (8,677)	\$ 2,692	\$ 4,401	\$ 9,122	\$ (677)
Business-type activities	132	233	1,114	1,001	555	(1,248)	238	(1,719)	(423)	(651)
Total primary government	<u>\$ 5,074</u>	<u>\$ (2,283)</u>	<u>\$ (1,092)</u>	<u>\$ 3,944</u>	<u>\$ 1,924</u>	<u>\$ (9,925)</u>	<u>\$ 2,930</u>	<u>\$ 2,682</u>	<u>\$ 8,699</u>	<u>\$ (1,328)</u>

CITY OF PLACENTIA

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)**

	2011	2012	2013
General Fund			
Nonspendable	\$ 5,823	\$ 4,774	\$ 4,368
Restricted	-	-	-
Assigned	500	-	-
Unassigned	<u>(294)</u>	<u>1,997</u>	<u>1,385</u>
Total General Fund	<u>6,029</u>	<u>6,771</u>	<u>5,753</u>
 All Other Governmental Funds			
Nonspendable	1,754	96	88
Restricted	9,122	8,118	3,630
Assigned	505	-	-
Unassigned	<u>(1,636)</u>	<u>(2,441)</u>	<u>(2,196)</u>
Total All Other Governmental Funds	<u>9,745</u>	<u>5,773</u>	<u>1,522</u>
Total All Governmental Funds	<u>\$ 15,774</u>	<u>\$ 12,544</u>	<u>\$ 7,275</u>

The City of Placentia implemented GASB 54 for the fiscal year ended June 30, 2011. Information prior to the implementation of GASB 54 is not available.

	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	\$ 14,265	\$ 16,638	\$ 7,503	\$ 101	\$ 139	\$ 3,894	\$ 6,736
Unreserved	<u>(2,015)</u>	<u>(5,487)</u>	<u>(4,887)</u>	<u>(3,108)</u>	<u>(4,698)</u>	<u>(5,234)</u>	<u>(4,521)</u>
Total General Fund	<u>12,250</u>	<u>11,151</u>	<u>2,616</u>	<u>(3,007)</u>	<u>(4,559)</u>	<u>(1,340)</u>	<u>2,215</u>
 All Other Governmental Funds							
Reserved	7,589	5,482	5,254	6,106	3,039	4,548	7,541
Unreserved, reported in:							
Special Revenue Funds	(3,815)	1,201	2,568	1,992	4,569	1,850	1,145
Debt Service Funds	628	308	637	-	840	1,692	(4,651)
Capital Project Funds	<u>(19,351)</u>	<u>(22,083)</u>	<u>943</u>	<u>(1,994)</u>	<u>(3,133)</u>	<u>(2,814)</u>	<u>(4,783)</u>
Total All Other Governmental Funds	<u>(14,949)</u>	<u>(15,092)</u>	<u>9,402</u>	<u>6,104</u>	<u>5,315</u>	<u>5,276</u>	<u>(748)</u>
Total All Governmental Funds	<u>\$ (2,699)</u>	<u>\$ (3,941)</u>	<u>\$ 12,018</u>	<u>\$ 3,097</u>	<u>\$ 756</u>	<u>\$ 3,936</u>	<u>\$ 1,467</u>

Source: City of Placentia, Finance Department

CITY OF PLACENTIA

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues				
Property Tax	\$ 6,947	\$ 9,835	\$ 11,208	\$ 12,918
Sales Tax	5,902	4,252	4,881	5,820
Other Tax	7,516	6,714	6,118	4,923
Intergovernmental	7,686	3,442	19,387	4,451
Licenses and permits	659	575	533	1,328
Fines and forfeitures	333	488	522	904
Investment income	193	336	604	1,637
Charges for services	1,168	1,593	1,429	1,472
Other	189	1,486	2,521	1,009
Total Revenues	<u>30,593</u>	<u>28,721</u>	<u>47,203</u>	<u>34,462</u>
Expenditures				
Current:				
General Government	2,834	3,418	3,780	3,256
Public Safety	13,359	13,489	15,067	16,070
Public Works	4,989	8,746	9,042	8,826
Recreation & human services	2,104	2,053	2,039	2,950
Redevelopment	806	672	1,491	2,692
SERAF	-	-	-	-
Capital Outlay	18,729	6,745	566	-
Debt Service				
Principal	649	1,048	1,278	8,210
Interest	598	1,149	1,332	1,332
Other debt service	621	183	-	-
Other	3,818	83	-	-
Total Expenditures	<u>48,507</u>	<u>37,586</u>	<u>34,595</u>	<u>43,336</u>
Excess of revenues over/(under) expenditures	<u>(17,914)</u>	<u>(8,865)</u>	<u>12,608</u>	<u>(8,874)</u>
Other Financing Sources/(Uses)				
Transfers In	20,057	8,327	22,887	6,581
Transfers Out	(19,596)	(8,323)	(22,912)	(6,581)
Proceeds from long-term debt	11,145	6,940	-	-
Other	193	679	3,376	12
Total other financing sources	<u>11,799</u>	<u>7,623</u>	<u>3,351</u>	<u>12</u>
Net change in fund balances	<u>\$ (6,115)</u>	<u>\$ (1,242)</u>	<u>\$ 15,959</u>	<u>\$ (8,862)</u>
Ratio of Total Debt Service Expenditures to Total Noncapital expenditures	7.75%	8.39%	8.31%	28.24%

Source: City of Placentia, Finance Department

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 13,791	\$ 13,816	\$ 13,559	\$ 13,415	\$ 12,451	\$ 11,389
5,300	4,686	3,930	5,063	5,611	5,519
4,732	4,955	4,654	6,116	5,712	6,047
5,855	5,165	5,295	5,036	3,742	3,143
1,441	2,126	2,448	1,397	1,730	1,211
845	878	819	604	753	842
1,332	1,141	83	595	423	161
1,465	1,595	1,464	2,343	2,370	1,800
1,286	919	342	4,138	1,786	4,598
<u>36,047</u>	<u>35,281</u>	<u>32,594</u>	<u>38,707</u>	<u>34,578</u>	<u>34,710</u>
3,437	3,544	3,584	3,958	4,690	4,275
17,167	17,217	15,602	15,322	15,978	16,845
10,427	6,573	2,850	5,864	6,617	10,826
3,568	2,846	1,826	983	1,033	1,011
1,550	2,177	1,755	1,775	659	-
-	-	843	174	-	-
-	8,251	3,940	392	441	347
1,260	1,345	1,430	1,420	1,186	355
1,097	933	1,749	1,759	1,617	594
-	339	-	-	-	-
-	-	-	-	-	-
<u>38,506</u>	<u>43,225</u>	<u>33,579</u>	<u>31,647</u>	<u>32,221</u>	<u>34,253</u>
<u>(2,459)</u>	<u>(7,944)</u>	<u>(985)</u>	<u>7,060</u>	<u>2,357</u>	<u>457</u>
6,545	15,946	14,707	12,063	10,869	12,072
(6,440)	(15,898)	(18,693)	(14,263)	(17,020)	(17,827)
-	11,240	1	5,784	399	-
13	(164)	2,500	-	193	-
<u>118</u>	<u>11,124</u>	<u>(1,485)</u>	<u>3,584</u>	<u>(5,559)</u>	<u>(5,755)</u>
<u>\$ (2,341)</u>	<u>\$ 3,180</u>	<u>\$ (2,470)</u>	<u>\$ 10,644</u>	<u>\$ (3,202)</u>	<u>\$ (5,298)</u>
6.52%	8.09%	12.01%	11.32%	9.67%	2.88%

CITY OF PLACENTIA

General Governmental Tax Revenue by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Sales and Use Taxes	Other Taxes	Licenses and Permits	Fines Forfeitures & Penalties	Use of Money and Property	Inter- governmental Revenue	Charges for Current Services	Other Revenues	Totals
2003-04	\$ 6,947,569	\$ 5,902,477	\$ 7,516,485	\$ 658,775	\$ 332,913	\$ 190,773	\$ 2,857,789	\$ 1,167,909	\$ 176,842	\$ 25,751,532
2004-05	9,835,841	4,252,155	6,714,252	574,689	487,648	335,823	3,441,909	1,592,677	1,485,654	28,720,648
2005-06	9,533,303	4,881,095	3,242,081	532,904	436,086	192,235	1,298,757	960,553	2,162,766	23,239,780
2006-07	10,699,537	5,820,037	2,078,677	1,309,238	801,584	195,105	929,088	1,003,834	953,884	23,790,984
2007-08	11,371,081	5,300,514	2,116,009	1,441,263	765,264	4,352	1,527,873	995,223	1,199,926	24,721,505
2008-09	11,464,895	4,685,797	1,912,555	2,062,294	713,172	29,157	630,639	1,121,933	914,860	23,535,302
2009-10	11,185,541	3,930,224	1,960,357	2,445,469	788,012	34,236	460,128	935,521	109,395	21,848,883
2010-11	11,143,701	5,063,285	3,261,866	1,397,396	542,172	514,827	537,577	1,648,767	2,492,821	26,602,412
2011-12	11,160,051	5,611,105	2,860,703	1,730,070	595,239	391,869	54,850	1,350,666	1,239,397	24,993,950
2012-13	11,388,950	5,518,907	6,047,207	1,210,722	841,945	161,727	3,143,796	1,800,475	4,597,034	34,710,763

Source: City of Placentia, Finance Department

CITY OF PLACENTIA

**Assessed Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year Ended June 30	City			Taxable Assessed Value
	Secured	Public Utility	Unsecured	
2004	\$ 3,356,745	\$ 2,939	\$ 139,573	\$3,499,257
2005	3,649,241	2,900	139,925	3,792,066
2006	4,025,669	2,927	160,990	4,189,586
2007	4,475,589	2,838	150,559	4,628,986
2008	4,820,355	381	170,439	4,991,175
2009	4,693,057	465	140,530	4,834,052
2010	4,794,903	390	172,357	4,967,650
2011	4,795,545	390	173,088	4,969,023
2012	4,849,370	390	157,793	5,007,553
2013	4,934,183	292	145,927	5,080,402

Note:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. The total direct rate, or the City's share, of that 1% base is 0.1644%. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of Orange

CITY OF PLACENTIA

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Placentia City	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340	0.1340
Placentia City Lighting Reorganization	0.0304	0.0304	0.0304	0.0302	0.0300	0.0304	0.0304	0.0304	0.0304	0.0304
Direct City Rate	0.1644	0.1644	0.1644	0.1644	0.1640	0.1644	0.1644	0.1644	0.1644	0.1644
Overlapping Rates:										
O.C. Water District Water Reserve	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.00012	0.00012	0.00012
O.C. Vector Control	0.0011	0.0011	0.0011	0.0011	0.0010	0.0011	0.0011	0.00105	0.00105	0.00105
O.C. Transportation Authority	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.00264	0.00264	0.00264
O.C. Water District	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080
O.C. Harbors, Beaches, Parks	0.0144	0.0144	0.0144	0.0144	0.0133	0.0144	0.0144	0.01436	0.01436	0.01436
O.C. Department of Education	0.0171	0.0171	0.0171	0.0171	0.0170	0.0170	0.0171	0.0171	0.0171	0.0171
O.C. Flood Control Dist General	0.0186	0.0186	0.0186	0.0186	0.0190	0.0186	0.0186	0.01857	0.01857	0.01857
O.C. Sanitation District 2 Operating	0.0309	0.0309	0.0309	0.0309	0.0310	0.0309	0.0309	0.0309	0.0309	0.0309
Placentia Library District	0.0376	0.0376	0.0376	0.0376	0.0380	0.0376	0.0376	0.0376	0.0376	0.0376
O.C. General Fund	0.0579	0.0579	0.0579	0.0579	0.0580	0.0579	0.0579	0.0579	0.0579	0.0579
North O.C. Community College General	0.0656	0.0656	0.0656	0.0656	0.0660	0.0655	0.0655	0.0655	0.0655	0.0655
Education Revenue Augmentation Fund	0.1876	0.1876	0.1876	0.1876	0.1880	0.1876	0.1876	0.1876	0.1876	0.1876
Placentia Unified General Fund	0.3943	0.3943	0.3943	0.3943	0.3940	0.3943	0.3943	0.3943	0.3943	0.3943
Total Direct City and Overlapping Rate	1.0000									
Metro Water District	0.0061	0.0058	0.0052	0.0047	0.0045	0.0043	0.0043	0.0037	0.0037	0.0035
Placentia Schools	0.0299	0.0449	0.0442	0.0265	0.0295	0.0476	0.0616	0.058	0.05846	0.0620
North O.C. Community College Bonds	0.0000	0.0000	0.0000	0.0144	0.0150	0.0149	0.0166	0.0176	0.01742	0.0190
Total Rate	<u>1.0360</u>	<u>1.0507</u>	<u>1.0494</u>	<u>1.0456</u>	<u>1.0490</u>	<u>1.0668</u>	<u>1.0825</u>	<u>1.0793</u>	<u>1.0796</u>	<u>1.0845</u>

Note:

In 1978, the voters of the State of California passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within.

Source: HdL Coren & Cone

CITY OF PLACENTIA

**Principal Property Taxpayers
Current and Nine Years Ago
(amounts expressed in thousands)**

Taxpayer	2013			Taxpayer	2004		
	Taxable Assessed Value	Estimated Total Tax	Percent of Total City Taxable Assessed Value		Taxable Assessed Value	Estimated Total Tax	Percent of Total City Taxable Assessed Value
OC of SD Holdings LLC	\$ 65,578	\$ 656	1.29%	Donahue Schriber Realty Group	\$ 37,730	\$ 377	1.08%
Placentia 422	52,234	522	1.03%	Bel Maisson Placentia LLC	29,560	296	0.85%
Villa Tierra Apartments LLC	34,328	343	0.68%	Trust Somerset Ownership	28,403	284	0.81%
Placentia-Linda Hospital Inc.	30,437	304	0.60%	Placentia Development Company	25,006	250	0.72%
Donahue Schriber Realty Group	25,136	251	0.49%	Sandcastle Partners	19,512	195	0.56%
Reef Imperial Rose Inc.	23,902	239	0.47%	Hunt Wesson Inc.	13,220	132	0.38%
Inland Western Placentia LLC	22,712	227	0.45%	Placentia Linda Hospital	13,025	130	0.37%
Hartwell Corporation	21,039	210	0.41%	John F. Whelan Trust	12,726	127	0.36%
Greka Oil and Gas Inc.	16,865	169	0.33%	Nick Becker Trust	11,985	120	0.34%
IIT Orange County DC LP	16,435	164	0.32%	Foothill Financial LP	11,847	118	0.34%
	<u>\$ 308,666</u>	<u>\$ 3,087</u>	<u>6.08%</u>		<u>\$ 203,014</u>	<u>\$ 2,030</u>	<u>5.81%</u>

Note:

The amounts shown above include assessed value data for both the City and the RDA Successor Agency.

Source: HdL Coren & Cone

CITY OF PLACENTIA

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2004	\$ 5,639,891	\$ 5,552,451	98.45%	N/A	N/A	N/A
2005	9,219,670	9,022,689	97.86%	N/A	N/A	N/A
2006	10,509,134	10,273,977	97.76%	N/A	N/A	N/A
2007	12,096,749	12,038,615	99.52%	N/A	N/A	N/A
2008	13,053,161	12,753,432	97.70%	N/A	N/A	N/A
2009	14,171,276	14,099,708	99.49%	N/A	N/A	N/A
2010	13,659,309	12,718,318	93.11%	N/A	N/A	N/A
2011	13,612,265	13,551,901	99.56%	N/A	N/A	N/A
2012	14,121,383	13,695,151	96.98%	N/A	N/A	N/A
2013	12,064,669	11,889,799	98.55%	N/A	N/A	N/A

Note:

The amounts presented include City property taxes, In-Lieu VLF, and RDA Successor Agency taxes.

Source: County of Orange Auditor-Controller

CITY OF PLACENTIA

**Ratio of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percent of Assessed Valuation	Per Capita	Percent of Personal Income
	Tax Allocation Bonds and Notes	Capital Leases	Certificates of Participation	Capital Leases					
2004	\$ 7,535	\$ 879	\$ 13,738	\$ 92	\$ 22,244	0.636%	\$ 445.85	1.81	
2005	7,420	808	19,965	53	28,246	0.745%	561.29	2.14	
2006	7,295	471	19,002	18	26,786	0.639%	534.93	1.91	
2007	7,170	208	11,038	-	18,416	0.398%	361.34	1.20	
2008	7,040	111	9,950	-	17,101	0.343%	334.85	1.06	
2009	17,946	15	8,782	-	26,743	0.553%	520.75	1.63	
2010	17,839	-	7,534	-	25,373	0.511%	489.17	1.59	
2011	17,790	-	12,336	-	30,126	0.606%	575.97	1.97	
2012	4,202	299	11,341	-	15,842	0.316%	310.12	1.04	
2013	4,062	189	10,471	-	14,722	0.290%	284.34	0.97	

Source: City of Placentia, Finance Department

CITY OF PLACENTIA

**Direct and Overlapping Governmental Activity Debt
As of June 30, 2013**

2012-13 Assessed Valuation:	\$5,080,401,882
Successor Agency Incremental Valuation:	232,396,479
Adjusted Assessed Valuation:	\$4,848,005,403

DIRECT DEBT:	Total Debt 06/30/13	% Applicable (1)	City's Share of Debt 6/30/13
Capital Leases	\$ 188,662	100.00%	\$ 188,662
Certificates of Participation	10,471,244	100.00%	10,471,244
Tax Allocation Bonds & Notes	4,061,514	100.00%	4,061,514
			\$ 14,721,420
 <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
North Orange County Community College 2003 B	\$ 41,142,561	5.243%	\$ 2,157,166
North Orange County Community College 2002 A	22,600,175	21.820%	4,931,455
Placentia-Yorba Linda Unified School Dist. 2002 A	2,739,744	21.820%	597,824
Placentia-Yorba Linda Unified School Dist. 2004 B	46,324,610	21.820%	10,108,227
Placentia-Yorba Linda Unified School Dist. 2005 C	167,230,143	5.243%	8,768,126
North Orange County Community College 2005 Refunding	71,400,000	21.820%	15,579,784
Placentia-Yorba Linda Unified School Dist. 2008 A	54,993,547	21.820%	11,999,826
Placentia-Yorba Linda Unified School Dist. 2008 C & D	25,000,000	21.820%	5,455,107
Placentia-Yorba Linda Unified School Dist. 2008 Q	27,278,918	21.820%	5,952,376
Placentia-Yorba Linda Unified School Dist. 2008 D	12,725,000	21.820%	2,776,649
Placentia-Yorba Linda Unified School Dist. 2008 E	33,573,625	1.185%	397,925
TOTAL OVERLAPPING DEBT			\$ 68,724,465
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 83,445,885

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.

Ratios of Direct vs. Overlapping Debt

Direct Debt	17.64%
Overlapping Debt	82.36%
Total Debt	100.00%

Source - HdL Coren & Cone

CITY OF PLACENTIA

**Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for the Current Year

Assessed value	\$ 4,848,005,403
Debt limit (3.75% of assessed value)	181,800,203
Debt applicable to limit	-
Legal debt margin - Current Year	<u><u>\$ 181,800,203</u></u>

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Debt as Percentage of Limit</u>
2004	\$ 131,222,138	\$ -	\$ 131,222,138	-
2005	142,202,480	-	142,202,480	-
2006	157,109,469	-	157,109,469	-
2007	173,586,979	-	173,586,979	-
2008	187,169,052	-	187,169,052	-
2009	181,276,941	-	181,276,941	-
2010	186,295,449	-	186,295,449	-
2011	191,977,149	-	191,977,149	-
2012	187,783,433	-	187,783,433	-
2013	181,800,203	-	181,800,203	-

Note:

The City charter includes a debt limit of 15%; however, at the time the charter was established, only 25% of the market value was used. For the purpose of determining the debt limit, the City is following the intent of the charter and reducing the debt limit to 3.75% of assessed valuation.

Source: City of Placentia, Finance Department

CITY OF PLACENTIA

**Demographic and Economic Statistics
Last Ten Calendar Years
(personal income in thousands)**

Calendar Year	City Population	Los Angeles - Long Beach - Santa Ana Area		
		Personal Income	Per Capita Personal Income	Unemployment Rate
2003	49,094	\$ 1,226,653	\$ 24,986	4.2%
2004	49,855	1,321,044	26,498	3.8%
2005	50,074	1,399,856	27,956	3.3%
2006	50,966	1,535,208	30,122	3.0%
2007	51,070	1,611,871	31,562	3.4%
2008	51,354	1,637,926	31,895	4.7%
2009	51,869	1,600,275	30,852	8.0%
2010	52,305	1,530,078	29,253	8.5%
2011	51,084	1,526,645	29,885	7.7%
2012	51,776	1,525,217	29,458	5.0%

Sources:

City Population - State Department of Finance

Area Population and Area Personal Income - Bureau of Economic Activity/Analysis

Unemployment Rate
- Bureau of Labor Statistics (August 2012)

CITY OF PLACENTIA

Taxable Sales by Category Last Ten Calendar Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Merchandise	\$ 4,963	\$ 5,101	\$ 4,902	\$ 4,833	\$ 4,866	\$ 4,896	\$ 5,134	\$ 5,385	\$ 5,324	\$ 5,228
Food Stores	24,064	15,839	16,866	16,659	15,722	15,863	15,104	15,019	16,509	17,913
Eating and Drinking Places	54,581	58,751	61,310	64,172	64,128	63,867	61,322	60,075	61,578	61,441
Building Materials	79,864	74,542	77,194	58,407	46,211	38,809	23,677	48,518	37,146	38,936
Auto Dealers and Supplies	99,265	87,616	92,122	84,905	77,932	58,464	50,424	62,763	66,535	67,010
Service Stations	36,138	52,140	68,294	74,487	71,982	73,632	47,405	52,892	68,994	83,379
Other Retail Stores	55,417	56,911	60,212	69,610	66,398	60,126	59,971	56,540	58,051	57,316
All Other Outlets	190,385	197,086	199,385	216,121	193,046	200,216	173,630	174,864	182,874	193,814
Total	<u>\$544,677</u>	<u>\$547,986</u>	<u>\$580,285</u>	<u>\$589,194</u>	<u>\$540,285</u>	<u>\$515,873</u>	<u>\$436,667</u>	<u>\$476,056</u>	<u>\$497,011</u>	<u>\$525,037</u>

Source: City of Placentia, Finance Department

CITY OF PLACENTIA

**Budgeted Full-Time City Employees by Department
Last Ten Fiscal Years**

Department	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City Clerk	1.00	1.00	1.50	1.50	1.50	1.00	1.00	2.00	2.00	2.00
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	7.00	7.00	6.50	6.50	6.50	7.00	7.00	7.00	7.00	7.00
Finance	8.00	8.00	8.00	9.00	9.00	9.00	7.00	7.00	7.00	7.00
Community Development	7.00	7.00	8.00	8.00	7.00	5.50	3.00	3.00	3.00	3.00
Police	70.00	70.00	70.00	73.00	73.00	68.00	62.00	62.00	67.00	68.00
Public Works	31.50	34.00	34.00	36.00	37.00	29.00	24.00	22.00	22.00	22.00
Community Services	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>9.00</u>	<u>9.00</u>	<u>5.00</u>	<u>5.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>
Total	<u>133.50</u>	<u>136.00</u>	<u>137.00</u>	<u>144.00</u>	<u>144.00</u>	<u>125.50</u>	<u>110.00</u>	<u>108.00</u>	<u>113.00</u>	<u>114.00</u>

Source: City of Placentia, Finance Department

CITY OF PLACENTIA

**Operation Indicators by Function/Program
Last Ten Fiscal Years**

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical arrests	n/a	n/a	1,067	1,233	963	1,360	1,517	2,170	2,067	1,289
Parking violations	n/a	n/a	7,875	15,088	13,718	11,688	11,138	7,971	8,211	6,970
Traffic violations	n/a	n/a	5,618	7,058	5,206	6,362	5,496	5,628	4,819	3,366
Community Development										
Building Permits	n/a	n/a	749	793	1,071	866	536	646	657	776
Building and Zoning Inspections	n/a	n/a	107	131	152	184	140	112	133	145
Public Works										
Feet of Sewer Main Cleaned	n/a	n/a	66,144	106,946	401,280	401,280	401,280	401,280	401,280	401,280
Streetsweeping Miles	n/a	n/a	11,128	11,200	21,684	21,684	21,684	21,684	21,684	21,684
Traffic Signals Maintained	n/a	n/a	46	50	56	56	56	57	57	57
Culture and Recreation										
Picnic Shelters Reserved (Hrs.)	n/a	n/a	3,423	6,206	3,501	2,642	2,349	2,637	1,740	2,026
Recreation Classes	n/a	n/a	1,872	1,197	817	616	616	585	659	704

Note:
Information was not tracked prior to fiscal year 2005/2006.

Source: Various City of Placentia Departments

CITY OF PLACENTIA

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function/Program	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Sworn Officers	55	55	55	55	55	50	50	50	46	47
Patrol Vehicles	24	26	26	26	24	26	26	26	26	26
Fire Stations	2	2	2	2	2	2	2	2	2	2
Highways and Streets										
Miles of Streets	107	107	107	107	107	107	107	107	107	107
Street Trees	9264	9264	9264	9264	9264	9214	9214	9214	9214	9214
Traffic Signals	224	224	224	224	224	229	229	229	229	229
Street Lights	3656	3656	3656	3656	3656	3656	3656	3656	3656	3656
Sewer										
Miles of Sanitary Sewers	76	76	76	76	76	76	76	76	76	76
Storm Drains	506	506	506	506	506	506	506	506	506	506
Recreation and Culture										
Parks	16	16	16	16	16	16	16	16	16	16
Area of Parks (Acres)	74.23	74.23	74.23	74.23	74.23	72.9	72.9	72.9	72.9	72.9
Community Buildings	2	2	2	2	2	2	2	2	2	2
Community Centers	4	4	4	4	4	4	4	4	4	4
Senior Center	1	1	1	1	1	1	1	1	1	1
Baseball Diamonds	6	6	6	6	6	7	7	7	7	7
Basketball Courts	4	4	4	4	4	7.5	7.5	7.5	7.5	7.5
Soccer Fields	5	5	5	5	5	1	1	1	1	1
Pools	2	2	2	2	2	2	2	2	2	2
Gymnasiums	1	1	1	1	1	1	1	1	1	1

Source: City of Placentia, Finance Department



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: CITY ATTORNEY

DATE: JANUARY 7, 2014

SUBJECT: **ADOPT RESOLUTION OF INTENTION TO ESTABLISH CITY OF PLACENTIA COMMUNITY FACILITIES DISTRICT NO. 2014-01 (PUBLIC SERVICES) AND TO AUTHORIZE THE LEVY OF A SPECIAL TAX THEREIN TO FINANCE CERTAIN SERVICES AND RESOLUTION OF INTENTION TO ALLOW FOR FUTURE ANNEXATION OF TERRITORY TO CITY OF PLACENTIA COMMUNITY FACILITIES DISTRICT NO. 2014-01 (PUBLIC SERVICES)**

FISCAL
IMPACT: N/A

SUMMARY:

The recommended actions will initiate the formation of a Mello-Roos Community Facilities District ("CFD") for the purposes of partially funding public safety services required by new development in the City, and will set the time and place of the required public hearing. The recommended actions will also establish a proposed annexation area which will allow for future developments to be annexed into the CFD in an expedited fashion. The initial CFD will encompass the Orange County Assessor's Parcel identified as 334-021-03 (Olson Project) and the future annexation area will encompass the entirety of the City of Placentia.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Accept the Petition from the developer initiating the formation of a Mello-Roos Community Facilities District (**Exhibit A**);
2. Adopt a Resolution of Intention to establish the proposed City of Placentia Community Facilities District No. 2014-01 (Public Services) ("CFD No. 2014-01") and to authorize the levy of special tax therein to finance certain services (**Exhibit B**);
3. Adopt a Resolution of Intention to allow for the future annexation of territory to Community Facilities District No. 2014-01 and to establish the future annexation area (**Exhibit C**).

4.b.

January 7, 2014

DISCUSSION:

The Mello-Roos Community Facilities Act of 1982 ("Act") provides for the establishment of a community facilities district to finance infrastructure, development impact fees, and public services. The Act specifically provides for approval of the special tax by vote of the landowners pursuant to § 53326(b) of the California Government Code. Further, the Act specifically provides for the initiation of the establishment of community facilities districts upon receipt by the City of a petition requesting the institution of proceedings by the owners of not less than 10% of the area of land proposed to be included within the district.

Section 53326 (b) provides that, if there are less than 12 registered voters currently within the boundaries of the proposed district, the vote to form the district and levy a special tax shall be by the landowners of property in the proposed district, and each landowner shall have one (1) vote for each acre or portion of an acre of land owned within the proposed district.

In recent months, the City has considered and approved a Development Agreement and subdivision map with Olson Urban – Placentia 1, LLC – a Delaware limited liability company for the construction of new housing in the City. As a significant part of the consideration of the Olson project, City Staff carefully analyzed the costs of providing public safety services to new development, including the Olson project, and has recommended that the City Council consider the formation of a CFD. Based upon City Council direction, City Staff included a provision within the Olson Development Agreement requiring the formation of a new CFD, which will set forth the additional costs related to providing public services to the project, and which will be payable by subsequent owners through the CFD. The payment of the Special Tax will defray the costs of public safety services such as police protection, fire protection and suppression, and ambulance and paramedic services.

The establishment of Goals and Policies for the use of Community Facilities Districts is required by the Mello-Roos Act, and was necessary before the City Council could initiate proceedings to establish a new CFD. The Goals and Policies, approved November 5, 2013, provide general guidance and conditions for the conduct by the City of proceedings for forming CFD's.

The required petition requesting the City Council begin proceedings for the formation of the CFD has been executed by Olson Urban – Placentia 1, LLC – a Delaware limited liability company ("Developer"), and has been included as Exhibit A.

Approval of the Resolution of Intention to establish the proposed City of Placentia Community Facilities District No. 2014-01 (Public Services) constitutes the next step in the formation process and essentially declares the City's intention to form the district, approves the boundary of the CFD, calls for the preparation of the CFD Report, and sets the time and place of the required Public Hearing.

The proposed tax to be levied is based upon a Fiscal Impact analysis that was prepared earlier in the year by Willdan Financial Services. That analysis indicates that the tax rate needed to partially fund public safety services for new development is \$225.00 per single-family residential

unit per year. The tax rate for multi-family residences is \$170.00 per year. Undeveloped and non-residential property will be exempt from the levy of the special tax. It is estimated that at full development and prior to any annexations, the proposed CFD could generate around \$7,425 dollars a year in additional revenue to the City for public safety services.

Approval of the Resolution of Intention to allow for future annexation of territory to City of Placentia Community Facilities District No. 2014-01 gives the City the ability to annex future development projects into CFD No. 2014-01 in a streamlined process to help offset the costs of providing public safety services to those newly developed areas. Approval will allow an expedited annexation process for future projects and will only require a petition from the property owners within the area to be annexed and a public hearing to count the votes and annex the project into the pre-established district.

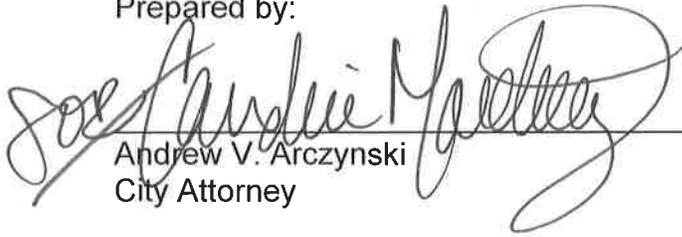
ALTERNATIVES:

The City Council may choose not to form a new CFD and use a different financial mitigation mechanism to fund the new public safety services. The City Council may also choose not to allow for future annexation of territory into the proposed CFD and require that each project create a new CFD.

FISCAL IMPACT:

The costs associated with this formation can be recovered through the CFD funds once the District is established and the taxes levied, therefore, no fiscal impact is anticipated to the City.

Prepared by:



Andrew V. Arczynski
City Attorney

Reviewed and approved:



Troy L. Butzlaf, ICMA-CM
City Administrator

Attachments:

1. Exhibit A – Petition
2. Exhibit B – Resolution of Intention to establish Community Facilities District
3. Exhibit C – Resolution of Intention to establish Future Annexation Area

**CITY OF PLACENTIA
COMMUNITY FACILITIES DISTRICT NO. 2014-01
(PUBLIC SERVICES)**

PETITION

**To Create a Community Facilities District
and Related Matters**

To: THE HONORABLE CITY COUNCIL,
ATTN: PATRICK J. MELIA, CITY CLERK
401 E. CHAPMAN AVENUE,
PLACENTIA, CA 92870

Members of the Council:

This is a petition to create a Community Facilities District and related matters under the Mello-Roos Community Facilities Act of 1982, Sections 53311 and following of the California Government Code (the "Act") and it states as follows:

1. Petitioner. This Petition is submitted by the person (the "Petitioner") (whether one or more) identified below as or for the record owner(s) of the parcels of land identified below (the "Property"). The undersigned warrants to the City that the Petitioner is such owner, or is a legally authorized representative of such owner(s), and that such ownership constitutes ownership of more than 10% of the property described in Exhibit A attached hereto and more particularly described in Section 3 herein.

2. Proceedings Requested. This Petition asks that the City Council undertake proceedings under the Act to create a community facilities district to be designated "City of Placentia Community Facilities District No. 2014-01 (Public Services)" (the "District") to levy special taxes in the District.

3. Boundaries. This Petition asks that the territory to be included in the boundaries of the District consist of that shown on a map of the proposed boundaries of the District filed with the City Clerk of the City and which map is attached hereto as Exhibit A and hereby made a part of this Petition and which map includes the Property located in Orange County.

4. Purpose. This Petition asks that the District be created, the special taxes be levied to finance all or a part of the public services (the "Services") shown in Exhibit B attached hereto and made a part hereof.

5. Special Taxes. The Petitioner agrees that it has reviewed and preliminarily approves the Rate and Method of Apportionment of Special Taxes (the "RMA") attached hereto as Exhibit C and made a part hereof, which RMA is proposed to be used by the City for the levy

of Special Taxes in the District to pay for the Services, subject to the completion of all proceedings by the City under the Act.

6. Election. The Petitioner asks that the special election to be held under the Act to authorize the special taxes and to establish any appropriations limits for the District be conducted by the City and its officials, using a mailed or hand-delivered ballot and that such ballot be canvassed and the results certified at the same meeting of the City Council as the public hearing on the District under the Act or as soon thereafter as possible.

7. Waivers. To expedite the completion of the proceedings for the District, the Petitioner waives all notices of hearing and all published notices regarding the establishment of the District, notices of election, applicable waiting periods under the Act for the holding of any public hearing and for election and all ballot arguments and analysis for the election, it being acknowledged by the Petitioner that all such notices are for the benefit of the Petitioner and may be waived. The Petitioner agrees to timely complete and return a consent and waiver to be provided to Petitioner by the City in order to expedite such proceedings. The Petitioner further hereby consents to and expressly waives any and all claims based on any irregularity, error, mistake or departure from the provisions of the Act or other laws of the State and any and all laws and requirements incorporated therein, and no step or action in any proceeding relative to the CFD or the special election therein shall be invalidated or affected by any such irregularity, error, mistake or departure.

8. Authority Warranted. The Petitioner warrants to the City that the presentation of this Petition, any waivers contained herein, casting of ballots at the property owner election and other actions mandated by the City for the formation of the District shall not constitute or be construed as events of default or delinquencies under any existing or proposed financing documents entered into or to be entered into by the Petitioner for the Property, including any "due-on-encumbrance" clauses under any existing security instruments secured by the Property. If requested by the City, the Petitioner agrees, at its expense, to supply to the City, current title evidence so that the City may supply any notice and ballot required under the Act for the establishment of the District.

9. Due-Diligence and Disclosures. The Petitioner agrees to cooperate with the City, its attorneys and consultants, and provide all information and disclosures required by the City about the Special Taxes to purchasers of the Property or any part of it.

10. Agreements. The Petitioner further agrees to execute such additional or supplemental agreements as may be required by the City to provide for any of the actions and conditions under this Petition, including any amount of cash deposit required to pay for the City's costs in establishing the District. By executing this Petition, the Petitioner agrees to all of the above.

The Petitioner (record owner) is:

Olson Urban – Placentia 1, LLC, - a Delaware limited liability company

Assessor Parcel No(s): **334-021-03**

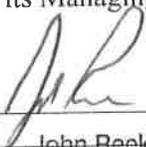
and the Property contains a total of **2.64** acres.

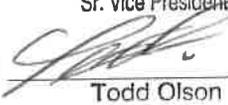
By: OLSON URBAN COMMUNITIES, LLC
a Delaware limited liability company
its Member

By: OLSON URBAN VENTURES, LLC,
a Delaware limited liability company,
its Member

By: OLSON URBAN HOUSING, LLC
a Delaware limited liability company
its Managing Member

By: IN TOWN LIVING, INC., a
Delaware corporation
its Managing Member

By: 
Its: John Reekstin
Sr. Vice President Community Development

By: 
Its: Todd Olson
Sr. Vice President,
President Community Development

The address of the above: receiving any notice and ballot is: 3010 Old Ranch Parkway, Suite 100, Seal Beach, CA 90740 Attention: John Reischl

EXHIBIT A

**MAP OF PROPOSED BOUNDARIES OF CITY OF PLACENTIA
COMMUNITY FACILITIES DISTRICT NO. 2014-01
(PUBLIC SERVICES)**

CITY OF PLACENTIA
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF PLACENTIA, THIS ____ DAY OF _____, 2014.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE CITY OF PLACENTIA COMMUNITY FACILITIES DISTRICT NO. 2014-01 (PUBLIC SERVICES), CITY OF PLACENTIA, COUNTY OF ORANGE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF PLACENTIA AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF _____, 2014, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF PLACENTIA

FILED THIS ____ DAY OF _____, 2014, AT THE HOUR OF ____ O'CLOCK ____ M., IN BOOK PAGE ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AND AS INSTRUMENT NO. ____ AT THE REQUEST OF THE CITY OF PLACENTIA IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA.

BY DEPUTY
COUNTY RECORDER/CLERK
COUNTY OF ORANGE

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS MAP SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE ORANGE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE ORANGE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

EXHIBIT B

DESCRIPTION OF SERVICES

Police protection services and fire protection and suppression services, including but not limited to (i) the costs of contracting services, (ii) equipment, vehicles, ambulances and paramedics, fire apparatus, supplies, (iii) the salaries and benefits of City staff that directly provide police protection services and fire protection and suppression services and other services as defined herein, respectively, and (iv) City overhead costs associated with providing such services within the District. On each July 1 following the Base Year the increases attributed to salaries and benefits shall be calculated and limited to the increase based on the Annual Escalation Factor as provided in the Rate and Method of Apportionment of the Special Taxes. The Special Tax will finance Services that are in addition to those provided in or required for the territory within the District and will not be replacing services already available. The Special Tax provides only partial funding for police and fire services.

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

EXHIBIT C

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

CITY OF PLACENTIA COMMUNITY FACILITIES DISTRICT NO. 2014-01 (PUBLIC SERVICES)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels within the City of Placentia Community Facilities District No. 2014-01 (Public Services), ("CFD No. 2014-01"), other than Assessor's Parcels classified as Exempt Property as defined herein, and collected each Fiscal Year commencing in Fiscal Year 2014-2015, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 2014-01, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2014-01, unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel, expressed in acres, as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Subdivision Map, other final map, other parcel map, other condominium plan, or functionally equivalent map or instrument recorded in the Office of the County Recorder. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated expenses related to the administration of CFD No. 2014-01: the costs of determining the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the payment of a proportional share of salaries and benefits of any City employee and City overhead whose duties are directly related to the administration of CFD No. 2014-01, fees and expenses for counsel, audits, costs associated with responding to public inquiries regarding CFD No. 2014-01, and any and all other costs incurred in connection with the administration of CFD No. 2014-01.

"Annual Escalation Factor" means the greater of five percent (5%) or the annual percentage increase, if any, of the All Urban Consumers Consumer Price Index ("CPI"). The annual CPI used shall be for the area of Los Angeles – Riverside – Orange County, CA as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31.

"Assessor's Parcel" means a Condominium lot, Lot, or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by assessor's parcel number.

"Base Year" means Fiscal Year beginning July 1, 2014 and ending June 30, 2015.

EXHIBIT C

“Boundary Map” means the map of the boundaries of CFD No. 2014-01 recorded on _____, 2014 in the Orange County Recorder’s Office in Book __, Pages __, of Maps of Assessments and Community Facilities Districts (instrument number _____), as the same may be amended by annexation from time to time hereafter.

“Building Permit” means a permit issued for new construction of a residential dwelling. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, grading, utility improvements, or other such improvements not intended for human habitation.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement for Services and providing for the levy and collection of the Special Taxes for CFD No. 2014-01.

“CFD No. 2014-01” means City of Placentia Community Facilities District No. 2014-01 (Public Services) established by the City Council under the Act.

“City” means the City of Placentia.

“City Council” means the Council of the city of Placentia, acting as the legislative body of CFD No. 2014-01.

“Condominium” means an estate in real property consisting of an undivided interest in common in a portion of a parcel of real property together with a separate interest in space in a residential, industrial or commercial building on such real property, such as an apartment, office or store. A condominium may include in addition a separate interest in other portions of such real property. Such estate may, with respect to the duration of its enjoyment, be either:

- (1) An estate of inheritance or perpetual estate;
- (2) An estate for life; or
- (3) An estate for years, such as a leasehold or a sublease hold.

“County” means the County of Orange.

“Developed Property” means an Assessor’s Parcel of Taxable Property for which a Building Permit was issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

“Developed Residential Property” means an Assessor’s Parcel of Taxable Property for which a Building Permit was issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied and which Building Permit was issued for purposes of constructing one or more Residential Unit(s).

“Exempt Property” means all Assessor’s Parcels within CFD No. 2014-01 that are exempt from the Special Taxes pursuant to law or Section F herein.

“Final Map” means an Assessor’s Parcel Map, a Final Subdivision Map, condominium plan, lot line adjustment, or any other map functionally considered to be an equivalent development map that has been recorded in the Office of the County Recorder.

“Final Subdivision Map” means a subdivision of property creating single family residential buildable Lots by recordation of a final subdivision map or parcel map pursuant to the Subdivision Map Act (California Government Code § 66410, et seq.), or recordation of a condominium plan pursuant to California Civil Code § 1352, that creates individual Lots or condominium lots for which building permits may be issued without further subdivision and is recorded prior to **June 1** preceding the Fiscal Year in which the Special Tax is being levied.

“Fiscal Year” means the period commencing on July 1 of any year and ending the following June 30.

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“Future Annexation Area” means the areas designated for potential future annexation to CFD No. 2014-01 as shown in the “Map of Proposed Boundaries of City of Placentia Future Annexation Area of Community Facilities District No. 2014-01 (Public Services)” recorded and on file with the Orange County Recorder’s Office.

“Land Use Type” means any of the land use types listed in Table 1 below.

“Lot” means property within a Final Map identified by a lot number or condominium number for which a Building Permit has been issued or may be issued.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

“Multi-Family Residential Property” or “MFR Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing a residential structure consisting of five (5) or more residential units that share common walls, including, but not limited to, condominiums, and apartment units.

“Property Owner Association Property” means for each Fiscal Year any property within the boundaries of CFD 2014-01 that was owned by, or irrevocably dedicated as indicated in an instrument recorded with the County Recorder to, a property owner association, including any master or sub-association, as of **June 1**.

“Proportionately” means in a manner such that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor’s Parcels within each Land Use Type.

“Public Property” means any property that is owned by, dedicated or irrevocably dedicated to a city, the federal government, the State of California, the County, or any other public agency (each, a “Public Entity”); provided, however, that if any such property is leased by such a Public Entity to a private entity and is thereby subject to taxation pursuant to § 53340.1 of the Act, such leasehold estate shall be classified and taxed according to the use thereof.

“Residential Property” means all Assessor’s Parcels of Developed Property within CFD No. 2014-01 for which a Building Permit has been issued for purposes of constructing one or more Residential Unit(s).

“Residential Unit” means any residence in which a person or persons may live, which is not considered to be used for non-residential purposes.

“Services” means those authorized services that may be funded by CFD No. 2014-01 pursuant to the Act, as amended, including, without limitation, those services authorized to be funded by CFD No. 2014-01 as set forth in the documents adopted by the City Council at the time CFD No. 2014-01 was formed.

“Single-Family Residential Property” or “SFR Property” means an Assessor’s Parcel classified as Developed Property for which a Building Permit(s) has been issued for purposes of constructing one or more single-family residential dwelling units including residential structures or Condominium structures that consist of 4 or fewer units which share common walls.

“Special Tax” means the special tax authorized to be levied within CFD No. 2014-01 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount, as determined by the CFD Administrator, for any Fiscal Year to: (i) pay the costs of providing the Services during such Fiscal Year, (ii) pay Administrative Expenses associated with the Special Tax, (iii) establish or replenish any operational reserve fund established for Services, (iv) pay incidental expenses related to the Services as authorized pursuant to the Act, (v) fund an amount equal to a reasonable estimate

EXHIBIT C

of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied (“Estimated Special Tax Delinquency Amount”) and (vi) fund the shortfall, if any, in the Special Tax revenues collected in the preceding Fiscal Year necessary to fund the Special Tax Requirement for Services for such Fiscal Year where such shortfall resulted from delinquencies in the payment of Special Taxes in such Fiscal Year that exceeded the Estimated Special Tax Delinquency Amount included in the Special Tax Requirement for Services for such Fiscal Year.

“**Taxable Property**” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or Section F.

“**Undeveloped Property**” means an Assessor’s Parcel of Taxable Property for which a Building Permit has not been issued on or before **June 1** preceding the Fiscal Year for which Special Taxes are being levied.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2014-2015, using the definitions above, each Assessor’s Parcel within CFD 2014-01 shall be classified by the CFD Administrator as Taxable Property or Exempt Property. In addition, each such Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified by the CFD Administrator as Developed Property or Undeveloped Property. Developed Property shall be further classified as Single-Family Residential Property or Multi-Family Residential Property. Commencing with Fiscal Year 2014-2015 and for each subsequent Fiscal Year, Developed Residential Property shall be subject to the levy of Special Taxes pursuant to Section C below.

C. MAXIMUM ANNUAL SPECIAL TAXES

1. Developed Residential Property

Each Fiscal Year commencing in Fiscal Year 2014-2015, each Assessor’s Parcel of Developed Residential Property shall be subject to the Special Tax. The Maximum Special Tax for Developed Residential Property for Fiscal Year 2014-2015 is shown below in Table 1.

**TABLE 1
DEVELOPED RESIDENTIAL PROPERTY
MAXIMUM SPECIAL TAX RATES**

Land Use Type	Maximum Special Tax
Residential	
SFR Property	\$225 per Residential Unit
MFR Property	\$170 per Residential Unit

For each subsequent Fiscal Year following the Base Year, the Maximum Special Tax rate shall be increased from the Maximum Special Tax rate in effect for the prior Fiscal Year by the Annual Escalation Factor.

EXHIBIT C

2. Annexed Property

Each Fiscal Year commencing in Fiscal Year 2014-2015, each Assessor's Parcel of Developed Residential Property that has been annexed into CFD 2014-01 shall be subject to the prevailing Special Tax in effect during the then current Fiscal Year and as determined by Section C.1 above.

3. Undeveloped Property

Each Fiscal Year commencing in Fiscal Year 2014-2015, each Assessor's Parcel classified as Undeveloped Property shall be exempt from the levy of the Special Tax

4. Exempt Property

No Special Tax shall be levied on Exempt Property as defined in Section F.

For each Fiscal Year, if the use or ownership of an Assessor's Parcel or Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in Section F, therefore making such Assessor's Parcel no longer eligible to be classified as Exempt Property, such Assessor's Parcel shall be deemed to be Taxable Property and shall be taxed pursuant to the provisions of Section C.

D. METHOD OF APPORTIONMENT OF SPECIAL TAX

Commencing in Fiscal Year 2014-2015 and for each subsequent Fiscal Year, the CFD Administrator shall levy the Special Tax on all Taxable Property of CFD No. 2014-01 until the total amount of Special Tax levied equals the Special Tax Requirement. The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property within CFD No. 2014-01 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

Notwithstanding any provision of this Section D to the contrary, under no circumstances will the Special Tax levied against any Assessor's Parcel of Developed Property that is classified as Residential Property be increased by more than ten percent (10%) per Fiscal Year as a consequence of delinquency or default in the payment of Special Taxes by the owner of any other Assessor's Parcel, excluding therefrom the increased amount levied pursuant to the Annual Escalation Factor.

E. PREPAYMENT OF SPECIAL TAX

The Special Tax shall be levied in perpetuity for the purpose of financing ongoing authorized services and therefore may not be prepaid.

F. EXEMPTIONS

The City Council shall classify as Exempt Property: (i) Public Property, (ii) Property Owner Association Property, (iii) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, including but not limited to property designated for open space, trails, pathways, parks or park and recreation related facilities, (iv) property reasonably designated by the City or CFD Administrator as Exempt Property due to deed restrictions, conservation easement, or similar factors.

EXHIBIT C

G. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the CFD Administrator not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the decision of the CFD Administrator requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) to compensate for the overpayment of the Special Tax.

H. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the Special Taxes may be billed and collected at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 2014-01.

EXHIBIT A

PETITION

EXHIBIT B

RESOLUTION OF INTENT TO ESTABLISH CFD 2014-01

RESOLUTION NO. R-2014-

RESOLUTION OF INTENTION OF THE CITY COUNCIL
OF THE CITY OF PLACENTIA TO ESTABLISH
COMMUNITY FACILITES DISTRICT NO. 2014-01 OF
THE CITY OF PLACENTIA AND TO AUTHORIZE THE
LEVY OF A SPECIAL TAX WITHIN COMMUNITY
FACILITES DISCTRICK NO. 2014-01 OF THE CITY
OF PLACENTIA

A. Recitals.

(i). The City Council ("Council") of the City of Placentia ("City") has received a petition ("Petition") requesting the institution of proceedings for the formation of a community facilities district pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with § 53311 of the California Government ("Act").

(ii). The Council has determined that the Petition complies with the requirements of California Government Code § 53318 and now intends to form Community Facilities District No. 2014-01 of the City of Placentia.

(iii). The Council desires to adopt this resolution of intention as provided in § 53321 of the Act to establish a community facilities district consisting of the territory described in Exhibit "A" hereto and incorporated herein by this reference, which the Council hereby determines shall be known as "Community Facilities District No. 2014-01 of the City of Placentia" ("Community Facilities District No. 2014-01" or "District") pursuant to the Act to finance (1) the public services described in Exhibit "B" hereto and incorporated herein by this reference ("Services"); and (2) the incidental expenses to be incurred in connection with financing the Services and forming and administering the District ("Incidental Expenses").

(iv). It is the intention of the Council to consider financing the Services and the Incidental Expenses through the formation of Community Facilities District No. 2014-01 and the levy of a special tax therein to pay for the Services and the Incidental Expenses, provided that the special tax levies are approved at an election to be held within the District.

B. Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. A community facilities district is proposed to be established under the terms of the Act. It is further proposed that the boundaries of the community facilities district shall be as described in Exhibit "A" hereto, which boundaries shall, upon recordation of the boundary map for the District, include the entirety of any parcel subject to taxation by the District. The proposed boundaries of the District are depicted on the map of the proposed Community Facilities District No. 2014-01 which is on file in the office of the City Clerk entitled "Proposed Boundaries, Community Facilities District No. 2014-01 of the City of Placentia" which map indicates by a boundary line the extent of the territory included in the proposed community facilities district and shall govern for all details as to the extent of Community Facilities District No. 2014-01. On the original and one (1) copy of the map of said Community Facilities District No. 2014-01 on file in the City Clerk's office, the City Clerk shall endorse the certificate evidencing the date and adoption of this resolution. The City Clerk shall file the original of such map in her office and, within fifteen (15) days after the adoption of this Resolution, and shall file a copy of such map so endorsed in the records of the County Recorder, County of Orange, State of California, all as required by § 3111 of the California Streets and Highways Code.

3. The name of the proposed City of Placentia Community Facilities District shall be "Community Facilities District No. 2014-01 of the City of Placentia."

4. The Services proposed to be provided and financed by Community Facilities District No. 2014-01 are described on Exhibit "B" attached hereto. The cost of providing the Services includes "Incidental Expenses," which include expenses to be incurred in connection with the determination of the amount of the levy of the special tax, the collection of the special tax including the expenses of collecting delinquencies, the payment of salaries and benefits of any City employee whose duties are directly related to the administration of the District, and costs otherwise incurred in order to carry out the authorized

purposes of the District. The Council hereby finds and determines that the description of the Services herein is sufficiently informative to allow taxpayers within the proposed District to understand what the funds may be used to finance. The City Council hereby finds that the proposed Services are necessary to meet increased demands placed upon the City as a result of development occurring in Community Facilities District No. 2014-01

5. Except where funds are otherwise available, it is the intention of the City Council to levy annually in accordance with procedures contained in the Act a special tax within the District, secured by recordation of a continuing lien against all nonexempt real property in the District, sufficient to pay for the Services and Incidental Expenses. The rate and method of apportionment and manner of collection of the special tax within the District is described in detail in Exhibit "C" attached hereto and incorporated herein by this reference. Exhibit "C" allows each landowner within the District to estimate the maximum amount that may be levied against each parcel. In the first year in which such special tax is levied, the levy shall include an amount sufficient to repay the District all amounts, if any, transferred to the District pursuant to § 53314 of the Act and interest thereon.

6. If special taxes of the District are levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall not be increased over time except that it may be increased by an amount not to exceed the greater of five percent (5%) or the annual percentage increase, if any, of the All Urban Consumers Consumer Price Index ("CPI"). The annual CPI used shall be for the area of Los Angeles - Riverside - Orange County, CA as determined by the Bureau of Labor Statistics for the twelve (12) months ending the preceding December 31 to the extent permitted in the rate and method of apportionment; (ii) such tax shall be levied for a period not to exceed fifty (50) years commencing with Fiscal Year 2014-15, as further described in Exhibit "C" hereto; and (iii) under no circumstances will such special tax be increased as a consequence of delinquency or default by the owner of any other parcels within the District by more than ten percent (10%).

7. The special tax within the proposed District is based on the expected demand that each parcel of real property within the proposed District will place on the Services and on the benefit that each parcel derives from the Services. The City Council hereby determines that the proposed Services are

necessary to meet the increased demand placed upon the City as a result of the development of land proposed for inclusion in the District. The City Council hereby determines the rate and method of apportionment of the special tax set forth in Exhibit "C" for the District to be reasonable. The special tax is apportioned to each parcel on the foregoing basis pursuant to § 53325.3 of the Act and such special tax is not based upon the value or ownership of real property. In the event that a portion of the property within Community Facilities District No. 2014-01 shall become for any reason exempt, wholly or partially, from the levy of the special tax specified on Exhibit "C", the City Council shall, on behalf of Community Facilities District No. 2014-01, cause the levy to be increased, subject to the limitation of the maximum special tax for a parcel as set forth in Exhibit "C," to the extent necessary upon the remaining property within the District which is not delinquent or exempt in order to yield the special tax revenues required for the purposes described in § 5, above. The obligation to pay special taxes may be prepaid as set forth in Exhibit "C."

8. A public hearing (the "Hearing") on the establishment of Community Facilities District No. 2014-01, the proposed rate and method of apportionment of the special tax and the Incidental Expenses shall be held on January XX, 2014 at 7:00 o'clock p.m., or as soon thereafter as the matter may be heard, at the chambers of the City Council of the City of Placentia, 401 E. Chapman Avenue, Placentia, California 92870-6101. Should the City Council determine to form the District, a special election will be held within the District to authorize the levy of the special tax in accordance with the procedures contained in California Government Code § 53326. If held, the proposed voting procedure at the elections will be a landowner vote with each landowner who is the owner of record of land within the District at the close of the Hearing, or the authorized representative thereof, having one vote for each acre or portion thereof owned within the District. Ballots for the special elections may be distributed by mail or by personal service.

9. At the time and place set forth above for the Hearing, any interested person, including all persons owning lands or registered to vote within the proposed District, may appear and be heard.

10. Each City officer who is or will be responsible for providing one or more of the proposed types of Services to be financed by Community Facilities District No. 2014-01, if it is established, hereby is directed to study the proposed community

facilities district and, at or before the time of the above-mentioned Hearing, file a report ("Report") with the City Council, which is to be made a part of the record of the Hearing, containing a brief description of the Services that will in his or her opinion be required to adequately meet the needs of Community Facilities District No. 2014-01 and an estimate of the cost of providing those Services, including an estimate of the fair and reasonable cost of any Incidental Expenses to be incurred.

11. The City may accept advances of funds or work-in-kind from any sources, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying the cost incurred in creating Community Facilities District No. 2014-01. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the City Council, with or without interest.

12. The City Clerk is hereby directed to publish a notice ("Notice") of the Hearing pursuant to California Government Code § 6061 in a newspaper of general circulation published in the area of the proposed District. Such Notice shall contain the text of this Resolution, state the time and place of the Hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in the proposed District as provided in § 53324 of the Act and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

24. The Mayor shall sign this Resolution, and the City Clerk shall attest and certify to the passage and adoption thereof.

APPROVED and ADOPTED this 7th day of January, 2014.

SCOTT W. NELSON,
MAYOR

ATTEST:

PATRICK J. MELIA, CITY CLERK

I, PATRICK J. MELIA, CITY CLERK of the CITY OF PLACENTIA DO HEREBY CERTIFY that the foregoing Resolution No. was adopted at a regular meeting of the City Council held on the 7th day of January, 2014 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

PATRICK J. MELIA, CITY CLERK

APPROVED AS TO FORM:

ANDREW V. ARCZYNSKI,
CITY ATTORNEY

EXHIBIT C

**RESOLUTION OF INTENT TO ALLOW FUTURE ANNEXATION
OF TERRITORY TO CFD 2014-01**

RESOLUTION NO. R-2014-

**RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE
CITY OF PLACENTIA TO ALLOW FOR FUTURE ANNEXATION OF
TERRITORY TO CITY OF PLACENTIA COMMUNITY FACILITIES
DISTRICT NO. 2014-01 (PUBLIC SERVICES)**

A. Recitals.

(i). The City Council ("Council") of the City of Placentia, California, ("City"), desires to provide for the authorization to annex territory in the future to a community facilities district proposed to be established pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, and specifically Article 3.5 thereof. The community facilities district has been designated as City of Placentia Community Facilities District No. 2014-01 (Public Services) ("Community Facilities District No. 2014-01" or "District"); and,

(ii). The City Council has determined it to be within the public interest and convenience to establish a procedure to allow and provide for future annexations to the District and further to specify the amount of special taxes that would be levied and set forth the terms and conditions for certification of any annexation in the future; and,

(iii). The territory proposed to be annexed in the future shall be known as "City of Placentia Community Facilities District No. 2014-01 (Public Services) (Future Annexation Area)" (the "Future Annexation Area"), and a map showing the territory proposed to be annexed in the future will be submitted and approved as part of these proceedings and a copy thereof shall be kept on file with the transcript of these proceedings.

B. Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA, DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. These proceedings for future annexation of territory to the District are authorized and initiated by this legislative

body pursuant to the authorization of California Government Code § 53339.2.

3. This City Council hereby determines that the public convenience and necessity requires and this City Council further declares its intention to provide for the establishment of a procedure to allow and authorize territory to be annexed in the future to Community Facilities District No. 2014-01 in order to finance the costs and expenses for the authorized public services.

4. A future annexation area is proposed to be established under the terms of the Act. It is further proposed that the boundaries of the future annexation area shall be as described on the map designated as "Map of Proposed Boundaries of City of Placentia Future Annexation Area of Community Facilities District No. 2014-01 (Public Services)" and attached hereto as Exhibit "A" and incorporated herein by this reference. A copy of said map shall be kept on file in the Office of the City Clerk and shall remain open for public inspection.

5. The name of the District is "City of Placentia Community Facilities District No. 2014-01 (Public Services)," and the designation for the Future Annexation Area shall be "City of Placentia Community Facilities District No. 2014-01(Public Services) (Future Annexation Area)".

6. The Services proposed to be provided and financed by Community Facilities District No. 2014-01 are described on Exhibit "B" attached hereto. The services are in addition to those provided in or required for the territory within Community Facilities District No. 2014-01 and will not be replacing services already available.

The same types of services, which are authorized to be financed by Community Facilities District No. 2014-01 are the types of services to be provided in the Future Annexation Area. If and to the extent possible such services shall be provided in common within Community Facilities District No. 2014-01 and the Future Annexation Area.

7. Except where funds are otherwise available, it is the intention of the City Council to levy annually in accordance with procedures contained in the Act a special tax within the boundaries of the Future Annexation Area, secured by recordation of a continuing lien against all nonexempt real property in such Future Annexation Area, sufficient to pay for the Services and

Incidental Expenses. The rate and method of apportionment and manner of collection of the special tax within the boundaries of the Future Annexation Area is described in detail in Exhibit "C" attached hereto and incorporated herein by this reference. Exhibit "C" allows each landowner within the proposed Future Annexation Area to estimate the maximum amount that may be levied against each parcel. In the first year in which such special tax is levied, the levy shall include an amount sufficient to repay the District all amounts, if any, transferred to the District pursuant to § 53314 of the Act and interest thereon.

The special tax proposed to be levied within the Future Annexation Area for services to be supplied within the Future Annexation Area shall be equal to the special tax levied to pay for the same services in Community Facilities District No. 2014-01, except that a higher or lower special tax may be levied within the Future Annexation Area to the extent that the actual cost of providing the services in the Future Annexation Area is higher or lower than the cost of providing those services in Community Facilities District No. 2014-01. Notwithstanding the foregoing, the special tax may not be levied at a rate which is higher than the maximum special tax authorized to be levied pursuant to the RMA.

The special taxes herein authorized, to the extent possible, shall be collected in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the Treasurer.

The maximum special tax rate in Community Facilities District No. 2014-01 shall not be increased as a result of the annexation of the Future Annexation Area to Community Facilities District No. 2014-01.

8. Annexation of territory in the future shall be effective upon the unanimous approval of such annexation by the owner or owners of any such parcel at the time the parcel is annexed and the vote by the qualified electors of such territory to authorize the levy of special taxes within such territory pursuant to the applicable Rate and Method, and no further public hearings or additional proceedings will be required to accomplish such annexation.

9. Notice is given that on the 18st day of February, 2014, at the hour of 7:00 P.M., in the regular meeting place of the City Council, being the Council Chambers, located at 401 E. Chapman, Ave., Placentia, CA 92870, a public hearing will be held where this City Council will consider the authorization for the annexation of certain territory in the future to CFD No. 2014-01, the proposed rate and method of apportionment of the special taxes proposed to be levied within the future annexation area and all other matters as set forth in this resolution of intention.

At such public hearing, the testimony of all interested persons for or against the annexation of the future annexation area or the levying of the special taxes within the future annexation area will be heard and considered. Any protests may be made orally or in writing. However, any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities or defects to which objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the public hearing. Written protest may be withdrawn at any time before the conclusion of the public hearing.

10. Notice of the time and place of the public hearing shall be given by the City Clerk by causing the publication of a Notice of Public Hearing in the legally designated newspaper of general circulation, such publication to be pursuant to Section 6061 of the Government Code, with such publication to be completed at least seven (7) days prior to the date set for the public hearing.

APPROVED and ADOPTED this 7th day of January, 2014.

SCOTT W. NELSON,
MAYOR

ATTEST:

PATRICK J. MELIA, CITY CLERK

I, PATRICK J. MELIA, CITY CLERK of the CITY OF PLACENTIA DO
HEREBY CERTIFY that the foregoing Resolution No. was adopted at
a regular meeting of the City Council held on the 7th day of
January, 2014 by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

PATRICK J. MELIA, CITY CLERK

APPROVED AS TO FORM:

ANDREW V. ARCZYNSKI,
CITY ATTORNEY