

Western Riverside Council of Governments

5.A

Regular Meeting

~ Minutes ~

Monday, October 5, 2020

2:04 PM

Zoom Platform

1. CALL TO ORDER

The meeting was called to order by Chair Kevin Bash at 2:01 p.m. on October 5, 2020, on the Zoom virtual platform.

2. CALL TO ORDER

Jurisdiction	Attendee Name	Status	Arrived / Departed
City of Banning	Daniela Andrade	Present	1:55 PM
City of Beaumont	Mike Lara	Present	1:55 PM
City of Calimesa	Jeff Cervantez	Present	1:55 PM
City of Canyon Lake	Jordan Ehrenkranz	Present	1:55 PM
City of Corona	Jason Scott	Present	1:55 PM
City of Eastvale		Absent	
City of Hemet	Russ Brown	Present	1:55 PM
City of Jurupa Valley	Micheal Goodland	Present	2:10 PM
City of Lake Elsinore	Brian Tisdale	Present	1:55 PM
City of Menifee	Matt Liesemeyer	Present	1:55 PM
City of Moreno Valley	Victoria Baca	Present	1:55 PM
City of Murrieta	Kelly Seyarto	Present	2:09 PM
City of Norco	Kevin Bash	Present	1:55 PM
City of Perris	Rita Rogers	Present	1:55 PM
City of Riverside	Rusty Bailey	Present	1:55 PM
City of San Jacinto	Crystal Ruiz	Present	1:55 PM
City of Temecula	Maryann Edwards	Present	1:55 PM
City of Wildomar	Ben Benoit	Present	1:55 PM
District 1		Absent	
District 2	Karen Spiegel	Present	2:14 PM
District 3	Chuck Washington	Present	1:55 PM
District 5	Jeff Hewitt	Present	1:55 PM
EMWD	Ronald Sullivan	Present	1:55 PM
WMWD	Brenda Dennstedt	Present	1:55 PM / 2:46 PM
Office of Education (ex-officio)	Dr. Judy White	Present	1:55 PM
TAC Chair	Andy Okoro	Present	1:55 PM
Executive Director	Rick Bishop	Present	1:55 PM

Note: Times above reflect when the member logged in; they may have arrived at the meeting earlier.

3. PUBLIC COMMENTS

There were no public comments

4. CONSENT CALENDAR

RESULT:	APPROVED AS RECOMMENDED
MOVER:	Wildomar
SECONDER:	Moreno Valley
AYES:	Banning, Calimesa, Canyon Lake, Corona, Hemet, Lake Elsinore, Menifee, Moreno Valley, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 3, District 5, EMWD, WMWD
ABSENT:	Eastvale, Jurupa Valley, Murrieta, District 1, District 2
AWAY FROM MEETING:	Beaumont

A. Summary Minutes from the September 14, 2020, Executive Committee Meeting are Available for Consideration

Action: 1. *Approved the Summary Minutes from the September 14, 2020, Executive Committee meeting.*

B. TUMF Program Activities Update: Approval of Reimbursement Agreements and Reimbursement Agreement Amendments

Actions:

1. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of Temecula for the Right-of-Way Phase of the French Valley Parkway (Jefferson Avenue to Ynez Road) Project in an amount not to exceed \$1,500,000.*
2. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement with the City of San Jacinto for the Project Advancement & Environmental Document, Project Specifications & Engineering, Right-of-Way, and Construction Phases of the State Street Widening Project from Gilman Springs Road to Quandt Ranch Road in an amount not to exceed \$1,138,000.*
3. *Authorized the Executive Director to execute a TUMF Reimbursement Agreement Amendment with the County of Riverside for the Project Advancement & Environmental Document, and Construction Phases of the Hamner Avenue Bridge over the Santa Ana River Project in an amount not to exceed \$4,750,000.*

C. Finance Department Activities Update

Action: 1. *Received and filed.*

D. Regional Streetlight Program Activities Update

Action: 1. *Received and filed.*

E. Environmental Department Programs Activities update

Action: 1. *Received and filed.*

F. WRCOG Committees and Agency Activities Update

Action: 1. *Received and filed.*

G. Report out of WRCOG Representatives on Various Committees

Action: 1. *Received and filed.*

H. Activities Update from the Eastern Municipal Water District / Western Municipal Water District

Action: 1. *Received and filed.*

5. REPORTS / DISCUSSION**A. Report from the League of California Cities**

Erin Sasse, League of California Cities representative, was unable to attend.

Action: 1. *Received and filed.*

B. PACE Programs Activity Update: Review of WRCOG's PACE Programs Consumer Protections and Deferral of Judicial Foreclosure on Delinquent PACE Properties

Casey Dailey, WRCOG Director of Energy & Environmental Programs, shared examples of PACE financing compared to other forms of consumer financing. PACE financing is different in that it offers pre-funding project review, post-funding homeowners support, confirmed terms call, and pre- and post-funding dispute resolution.

Mr. Dailey provided an overview of PACE consumer protections. Many of the Program's consumer protections have later been incorporated into state law. Protections include the application of a 3-day right-to-cancel for the property owner, expanded financial disclosures, ability to pay requirements, as well as a required confirmed terms call. Over the years of the Program, additional protections have been added to engage, inform, and educate the property owner throughout the funding process. Some of these protections include the creation of a Quality Assurance Call before the works begins; a post-construction pre-funding call; and a Compliance Call after the work has concluded.

WRCOG has implemented enhanced scrutiny for seniors. Some of these protections include staff confirming the terms of the financing with the homeowner prior to signing off on PACE financed work commencing. Senior citizens are also provided an additional two days to determine if they want to cancel a project. Properties with reverse mortgages are no longer allowed. Senior citizens account for approximately 24% of all PACE assessments; they comprise approximately 29% of the overall population of the state.

WRCOG has requested a title company review approximately 400 assessments throughout the state in order to provide an estimate of foreclosure rates.

PACE assessments appear as a line item on a property tax bill. Property tax payments cannot be partially paid or split. As of July 31, 2020, the overall PACE delinquency rate is approximately 1.43%; comparatively, the overall delinquency rate for the state is approximately 2.4%. The PACE delinquency rate in Riverside County is approximately 1.67%, while the overall delinquency rate for the County is approximately 4.3%.

In 2015, this Committee adopted a policy to review delinquency rates on an annual basis. Compared to last year there is a slight uptick in delinquencies, and staff are closely monitoring the situation.

In order to ensure a PACE delinquency does not result in a foreclosure, WRCOG partners with a third party, First National Assets (FNA), which purchases the PACE delinquencies. In this manner, bond investors are paid in a timely fashion and property owners are not subject to any foreclosure proceeding initiated by WRCOG.

As in past years, staff are requesting the deferment of foreclosure for delinquencies incurred during Tax Year 2019/2020. Additionally, staff is requesting the automatic deferment of foreclosure in subsequent years so long as a third party, such as FNA, is in place to purchase PACE delinquencies.

Sparky Abraham, member of the public, commented on delinquency data, statistical samples, the dynamics of the PACE Program, mortgage delinquencies, and the filings of notices of default.

Stacey Tutt, member of the public, commented on foreclosures, sample size of delinquencies, and the number of consumer protections.

Committee member Mike Lara asked if there is a limit on what FNA will cover on the shortfalls.

Mr. Dailey responded that there is no limit. FNA has assured WRCOG that it will be able to remain as the third party to purchases PACE delinquencies.

Committee member Micheal Goodland asked where most of the foreclosures are occurring – in or out of Riverside County – and indicated that there should be a higher number of properties sampled. As WRCOG has no control of mortgage companies, there is a concern that the mortgage companies that deal with PACE are working above board. What has been the premier reason for foreclosures.

Mr. Dailey responded that staff have asked for a random sampling of 400 properties across the state. WRCOG has limited insight as to any of the number of causes in which a property owner may find themselves unable to pay their mortgage payment and/or property taxes. The delinquency information is the one data metric available to WRCOG to determine in a property owner is making their payments.

Committee member Goodland asked what WRCOG's cost is regarding FNA.

Mr. Dailey responded that WRCOG does not pay FNA for its services. FNA comes whole when a property owner comes current on their property tax payments.

Committee member Chuck Washington asked about utilizing older data, WRCOG's control of mortgage companies and forgoing judicial foreclosure proceedings.

Mr. Dailey responded that staff asks annually the deferment of judicial foreclosure proceedings. Regarding older data, a county typically will wait five years prior to initiating any foreclosure proceedings as a result of not paying property tax payments. To review assessments in years prior to 2019/2020 would not be an accurate view. WRCOG has no influence over mortgage lenders.

- Action:** 1. *Adopted Resolution Number 27-20; A Resolution of the Executive Committee of the Western Riverside Council of Governments waiving judicial foreclosure proceeding requirements for delinquent payments of assessments of the Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program.*

RESULT: APPROVED AS RECOMMENDED

MOVER: District 3

SECONDER: City of Wildomar

AYES: Banning, Beaumont, Calimesa, Corona, Hemet, Jurupa Valley, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 2, District 3, District 5, EMWD, WMWD

ABSENT: Eastvale, District 1

AWAY FROM MEETING: Lake Elsinore, Menifee

C. TUMF Program Year in Review

Chris Gray, WRCOG Director of Transportation & Planning, reported that the TUMF Program is the largest transportation program in the United States and one of WRCOG's longest standing programs.

TUMF collections for Fiscal Year 2019/2020 met staff projections at \$49.8 million. The Northwest Zone has collected the highest amount of revenues at just over \$21M. Single-family land use continues to be the highest revenue generator.

Since inception of the Program in 2003, \$910M has been collected. The County accounts for 1/3 of the total collections. Over \$400M has been distributed to member jurisdictions, and \$340M has been allocated to the Riverside County Transportation Commission. A total of 108 projects have been completed.

Developers are able to build in lieu of TUMF via Credit Agreements. The Program has provided \$240M in projects completed through Credit Agreements. The I-15 / Cajalco Interchange project is the largest project completed to date at \$50M.

Funding through the Measure A sales tax has provided \$330M through the Local Streets and Roads Program.

WRCOG has prepared individual jurisdictional reports covering all the project a jurisdiction has received funding for, pending projects, completed project, etc.

- Action:** 1. *Received and filed.*

6. REPORT FROM THE TECHNICAL ADVISORY COMMITTEE CHAIR

Andy Okoro, Technical Advisory Committee Chair, was unable to attend the meeting.

7. REPORT FROM COMMITTEE REPRESENTATIVES

Ben Benoit, South Coast Air Quality Management District (AQMD) representative for cities in Riverside County, reported that the region has recently been experiencing the worst air quality due to all the fires.

Rusty Bailey, SAWPA OWOW Steering Committee representative, reported that projects – the Evans Lake Tributary Restoration Project and the Camp Evans Project – which were funded through Proposition 1 Round 1 Integrated Regional Water Management funding are finally ready to begin; \$23M was made available. A pilot program – the physical harvesting of algae biomass – in Lake Elsinore will also begin next year. Proposition 1 Round II funding of projects will begin next year; \$27M is available. The first session of the Ensuring Equitable Involvement in Regional Water Planning Summit is scheduled on October 8, 2020.

Crystal Ruiz, SANDAG Borders Committee representative, reported that the Calexico Port of Entry Project and Senate Bill 1, the Trade Corridor Enhancement Program, were the topics of conversation.

Micheal Goodland, Southern California Association of Governments' (SCAG) Community, Economic, and Human Development Committee representative, reported that JLL, Inc. provided a presentation on post-COVID-19. More people will continue working from home. Homebuyers are seeking the suburbs.

8. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop reported that notifications were sent out late last week regarding appointments to outside agencies. Appointments last for two years. SCAG is providing funding to each of its subregions to spur the production of housing. WRCOG is eligible for approximately \$1.6M. WRCOG is requesting approximately \$500k to promote the pursuit of a Regional Economic Development Corporation.

9. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

10. GENERAL ANNOUNCEMENTS

Committee member Micheal Goodland announced that the City of Jurupa Valley has hired a new Economic Development Director.

Chairman Kevin Bash announced that the City of Norco was told that banks are requiring projects to be COVID-19 safe before they will be funded.

Committee member Judy White announced that she is retiring.

11. CLOSED SESSION

The Executive Committee adjourned to Closed Session; there were no reportable actions.

12. NEXT MEETING

The next Executive Committee meeting is scheduled for Monday, November 2, 2020, at 2:00 p.m., on the Zoom platform.

13. ADJOURNMENT

The meeting was adjourned from Closed Session at 3:25 p.m.
