



City of Arts & Innovation

Utility Services / Land Use / Energy Development Committee

TO: UTILITY SERVICES/LAND USE/ENERGY DEVELOPMENT COMMITTEE MEMBERS **DATE: MARCH 10, 2016**

FROM: MAYOR'S OFFICE **WARDS: ALL**

SUBJECT: EXPANSION OF THE PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM

ISSUE:

The issue for consideration is whether the city should take action to allow additional PACE providers to operate in Riverside by analyzing the potential impact that this decision would have on city operations and local businesses and homeowners.

RECOMMENDATION:

That the City Council's Utility Services, Land Use, and Energy Development committee evaluate if the City of Riverside should allow additional PACE providers to operate in our city, both on a residential and commercial level. To effectively make this decision, important analysis needs to occur, including considerations of potential operational impacts to the city and its publicly-owned utility; as well as the potential impact this will have on local businesses and local property owners (both positive and negative). I am hereby recommending that this analysis be conducted by Riverside Public Utilities within 60 days and be presented back to the Utility Services, Land Use, and Energy Development Committee.

BACKGROUND:

The Property Assessed Clean Energy (PACE) program is a way to finance energy efficient, renewable energy, and water conservation upgrades to buildings. PACE can pay for items such as new heating and cooling systems, lighting improvements, solar panels, water pumps, insulation, etc. for residential, commercial, industrial, and agricultural properties. The PACE programs have been marketed as an affordable way to finance energy-efficient products, allowing residents to decrease utility bills and increase home values.

While various financing methods are used, PACE can finance up to 100% of a project's cost, to be repaid over a 20 year period (maximum period). Interest on this funding is tax deductible. These assessments are attached to a property tax bill, as a tax lien, and the financial burden stays with the building/home upon sale. This financing structure has drawn some criticism, especially from realtors, as some properties with PACE liens have experienced complications during refinances and sale transactions. As these programs have evolved, additional consumer protections have been put in place.

In Riverside County, PACE has primarily been administered through the Western Riverside Council of Governments (WRCOG), and the provider of choice since 2011 has been The Home Energy Retrofit Opportunity program (HERO) (through Renovate America).

In September of 2015, WRCOG discussed what some perceived to be a PACE monopoly and considered if WRCOG should open up the program to additional PACE providers. WRCOG's Administration and Finance Committee recommended that the program be maintained by one provider (HERO by Renovate America).

After full board consideration, a Motion made by Mayor Bailey prevailed. That motion:

- 1) Supported WRCOG's Administration and Finance Committee's recommendation to commit to HERO as the sole PACE provider for WRCOG,
- 2) Affirmed a municipality's right to open up to additional providers, and
- 3) Encouraged municipalities that elected to open up to additional providers to closely examine and compare the various providers, with an eye on local government oversight and accountability, consumer protections and contractor requirements, and adherence to Dodd-Frank and Government Finance Officers Association recommendations.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by:



William "Rusty" Bailey
Mayor

Approved as to form: Gary G. Geuss, City Attorney

Attachment(s):

- 1) Minutes of WRCOG Action on 9/14/2015 to affirm a municipality's right to open PACE up to additional providers
- 2) WRCOG Consumer Protections Recommendations
- 3) Sample Consumer Protections Provided by Ygrene
- 4) Sample Resolution Provided by California First
- 5) Riverside County Board of Supervisor's Action on PACE



Western Riverside Council of Governments Executive Committee

AGENDA

**Monday, October 5, 2015
2:00 p.m.**

**County of Riverside
Administrative Center
4080 Lemon Street
1st Floor, Board Chambers
Riverside, CA 92501**

The following teleconference number is provided exclusively for members of the public wishing to address the Committee directly during the public hearing portion of item 6.A on the agenda:

**Teleconference: (877) 336-1828
Access Code: 5233066**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the WRCOG Executive Committee meeting, please contact WRCOG at (951) 955-8320. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 4080 Lemon Street, 3rd Floor, Riverside, CA, 92501.

- 1. CALL TO ORDER (Brian Tisdale, Chair)**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. PUBLIC COMMENTS**

At this time members of the public can address the WRCOG Executive Committee regarding any items within the subject matter jurisdiction of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

5. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

- A. **Summary Minutes from the September 14, 2015, WRCOG Executive Committee meeting are available for consideration.** P. 1

Requested Action: 1. *Approve Summary Minutes from the September 14, 2015, WRCOG Executive Committee meeting.*

- B. **Regional Streetlight Program Activities Update** Tyler Masters

Requested Action: 1. *This item will be distributed under separate cover.*

- C. **Healthy Communities Activities Update** Jennifer Ward P. 17

Requested Action: 1. *Receive and file.*

- D. **WRCOG Finance Department Activities Update** Ernie Reyna P. 19

Requested Action: 1. *Receive and file.*

- E. **WRCOG TUMF Program Activities Update** Ruthanne Taylor Berger P. 21

Requested Action: 1. *Receive and file.*

- F. **SCAG Activities Update** Jennifer Ward P. 35

Requested Action: 1. *Receive and file.*

- G. **South Coast Air Quality Management District Activities Update** Ruthanne Taylor Berger P. 43

Requested Action: 1. *Receive and file.*

6. REPORTS/DISCUSSION

- A. **HERO Program Activities Update** Barbara Spoonhour, WRCOG P. 49

Requested Actions: 1. *Receive summary of the Revised California HERO Program Report.*
2. *Conduct a Public Hearing Regarding the Inclusion of the Cities of Chula Vista, Fairfax, Larkspur, Mission Viejo, Rohnert Park, Salinas, Santa Cruz, and Trinidad, and the Counties of Marin and Tehama unincorporated areas, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional cities and to hear all interested persons that may appear to support or object to, or inquire about the Program.*
3. *Adopt WRCOG Resolution Number 33-15; A Resolution of the Executive Committee of the Western Riverside Council of*

Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered.

4. *Continue the Public Hearing Regarding the Inclusion of the Cities of Arcata, Chowchilla, Oakland, San Rafael, and Tiburon until November 2, 2015.*
5. *Accept the Cities of Camarillo, Millbrae, Mountain View, Novato, and Union City, and the County of El Dorado unincorporated area, as Associate Members of the Western Riverside Council of Governments.*
6. *Adopt WRCOG Resolution Number 34-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.*

B.	Report from the League of California Cities	<i>Erin Sasse, League of California Cities</i>	P. 103
----	----------------------------------------------------	------------------------------------------------	--------

Requested Action: 1. *Receive and file.*

C.	Special Presentation on the Southern California Association of Governments' Regional Transportation Plan / Sustainable Communities Strategy	<i>Hasan Ikhrata, Southern California Association of Governments</i>	P. 105
----	----------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------	--------

Requested Action: 1. *Receive and file.*

7.	REPORT FROM THE WRCOG TECHNICAL ADVISORY COMMITTEE CHAIR	<i>Grant Yates</i>
----	-----------------------------------------------------------------	--------------------

8. **REPORT FROM COMMITTEE REPRESENTATIVES**

SCAG Regional Council and Policy Committee representatives
SCAQMD, Ben Benoit
CALCOG, Chuck Washington

9.	REPORT FROM THE WRCOG EXECUTIVE DIRECTOR	<i>Rick Bishop</i>
----	-------------------------------------------------	--------------------

10.	ITEMS FOR FUTURE AGENDAS	<i>Members</i>
-----	---------------------------------	----------------

Members are invited to suggest additional items to be brought forward for discussion at future WRCOG Executive Committee meetings.

11.	GENERAL ANNOUNCEMENTS	<i>Members</i>
-----	------------------------------	----------------

Members are invited to announce items / activities which may be of general interest to the WRCOG Executive Committee.

12.	NEXT MEETING:	The next WRCOG Executive Committee meeting is scheduled for Monday, November 2, 2015, at 2:00 p.m., in the County of Riverside Administrative Center, 1st Floor Board Chambers.
-----	----------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

13. **ADJOURNMENT**

Page Intentionally Left Blank

1. CALL TO ORDER

The meeting of the WRCOG Executive Committee was called to order at 2:00 p.m. by Chairman Brian Tisdale in the County of Riverside Administrative Center, 1st Floor Board Chambers.

2. ROLL CALL

Members present:

Debbie Franklin, City of Banning
Jim Hyatt, City of Calimesa
Jordan Ehrenkranz, City of Canyon Lake
Eugene Montanez, City of Corona
Ike Bootsma, City of Eastvale
Bonnie Wright, City of Hemet
Laura Roughton, City of Jurupa Valley
Brian Tisdale, City of Lake Elsinore (Chairman)
John Denver, City of Menifee
Jeffrey Giba, City of Moreno Valley
Randon Lane, City of Murrieta (3:02 p.m. departure)
Kathy Azevedo, City of Norco (2:03 p.m. arrival)
Rita Rogers, City of Perris
Rusty Bailey, City of Riverside
Mike Naggar, City of Temecula (3:08 p.m. departure)
Ben Benoit, City of Wildomar
Kevin Jeffries, County of Riverside District 1 (2:01 p.m. arrival; 3:27 p.m. departure)
John Tavaglione, County of Riverside District 2 (2:07 p.m. arrival; 3:01 p.m. departure)
Chuck Washington, County of Riverside District 3
Marion Ashley, County of Riverside District 5 (2:14 p.m. departure)
David Slawson, Eastern Municipal Water District
Brenda Dennstedt, Western Municipal Water District (3:42 p.m. departure)
Grant Yates, WRCOG Technical Advisory Committee (TAC) Chair

Staff present:

Steve DeBaun, Legal Counsel
Rick Bishop, Executive Director
Ruthanne Taylor Berger, Deputy Executive Director
Ernie Reyna, Chief Financial Officer
Barbara Spoonhour, Director of Energy and Environmental Programs
Donna Dean, Program Manager
Jennifer DiCiano, Program Manager
Jennifer Ward, Program Manager
Sherri Cruz, Staff Analyst
Samantha Amphongphong, Fiscal Staff Analyst
Tyler Masters, Staff Analyst
Taylor York, Staff Analyst
Daniel Ramirez-Cornejo, Staff Analyst
Simone Blackwell, Staff Analyst
Jesus Gonzalez, Staff Analyst
Anthony Segura, Staff Analyst
Glenn Nguyen, Staff Technician
Tim Doyle, IT Administrator

Lupe Lotman, Executive Assistant
Janis Leonard, Executive Assistant

Presenter:

Erin Sasse, League of California Cities

3. PLEDGE OF ALLEGIANCE

Councilmember Rita Rogers, City of Perris, led members and guests in the Pledge of Allegiance.

4. PUBLIC COMMENTS

There were no public comments.

Chairman Tisdale called Supervisors Marion Ashley and Chuck Washington, and WRCOG Executive Director Rick Bishop to the front of the dais.

Chairman Tisdale presented a certificate of recognition to Mr. Bishop for 15 years of service to WRCOG. Supervisor Washington indicated that when he began participating in WRCOG, the Agency was disorganized and draining funds, and there was no regional collaboration. As then Chairman, Supervisor Washington threatened to pull out of WRCOG, indicating that other cities may follow suit in order to form a Council of Governments in the southwest portion of the County. Supervisor Washington has now served on WRCOG for 16 years, and the Agency has since been elevated to a level in which it is the pride of the subregion, through its HERO and TUMF Programs, and annual General Assembly event. Supervisor Washington expressed his pride in working with Mr. Bishop throughout the years and congratulated him on his many years of service.

Supervisor Ashley indicated that when he came on board, Mr. Bishop was already serving as the Executive Director. Supervisor Ashley was impressed by the activities undertaken by WRCOG, as well as the way it addressed problems along the way. General Assembly keynote speakers have gone from local to major TV personalities, Secretaries of State, and even former Presidents. The HERO Program has gone far beyond than anyone thought possible. Membership has been expanded to include the Indian Nations, the two major water districts, and the Superintendent of Schools. The TUMF Program has been a great success, and the subregion would be just a shadow of what it currently is without WRCOG. Supervisor Ashley indicated that he was proud of Mr. Bishop, who has been a wonderful leader, and continues to elevate the Agency.

Mr. Bishop thanked the Chairman and Supervisors for their comments. Staying with this Agency for 15 years is testament to how fun the job has been and how much has been accomplished. An Agency like WRCOG cannot accomplish anything without great Executive Committee leadership and fantastic staff. The elected official leadership has taken measured risks with some pretty big programs, and that is not easy to do in this political world. Mr. Bishop indicated that he is happy to have been a small piece of all of it, and thanked everyone for this recognition.

5. CONSENT CALENDAR – *M/S/A (Ashley/Franklin) 22-0-0; Items 5.A through 5.I were approved by a unanimous vote of those members present. The City of San Jacinto and the Morongo Band of Mission Indians were not present. Item 5.G was pulled for discussion.*

- A. Summary Minutes from the August 3, 2015, WRCOG Executive Committee meeting are available for consideration.**

Action: 1. *Approved Summary Minutes from the August 3, 2015, WRCOG Executive Committee meeting.*

B. WRCOG Financial Report Summary through July 2015

Action: 1. *Received and filed.*

C. WRCOG Finance Department Activities Update

Action: 1. *Received and filed.*

D. Western Riverside County Clean Cities Coalition and Air Quality Activities Update

Action: 1. *Received and filed.*

E. WRCOG Solid Waste Program Activities Update

Action: 1. *Received and filed.*

F. Western Riverside Energy Leader Partnership Update

Action: 1. *Received and filed.*

G. Healthy Communities Activities Update

Chairman Tisdale pulled this item for discussion.

Jennifer Ward, WRCOG Program Manager, reported that this is a new standing, staff report item which will be placed on each agenda. Jurisdictions can provide information to Ms. Ward on events being held and it will be placed in the staff report.

The WRCOG Health Subcommittee has been meeting for the past six months in order to respond to a Sustainability Grant awarded by the Southern California Association of Governments (SCAG) to support the Health Subcommittee's efforts in creating a monitoring tool to track how the benefits of implementing Climate Action Plans and different sustainability measures impact public health. The Subcommittee has developed into a forum to discuss and share health-related activities occurring in member jurisdictions, such as the Healthy Jurupa Valley and Live Well Perris Programs. This has served as a great platform to discuss health challenges in Riverside County, and to prepare strategies to address these challenges. The Subcommittee meets every other month on the fourth Wednesday; the next meeting is scheduled for September 23, 2015.

WRCOG recently received an award from the California American Planning Association for its efforts in linking climate change to public health, and has been invited to speak at the Southern California Public Health Association Conference later this fall.

Lastly, as part of its communication campaign, WRCOG has created "Be Healthy" billboard ads throughout the subregion.

Action: 1. *Received and filed.*

H. Authorization to Participate in the California Department of Transportation Active Transportation Program

Action: 1. *Adopted WRCOG Resolution Number 30-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Certifying Authorization to Participate in the California Department of Transportation Active Transportation Program and Authorizing an Official to Execute Agreements for the Active Transportation Program.*

I. Inventory of Special Needs Awareness Programs in Western Riverside County

Action: 1. *Received and filed.*

6. REPORTS/DISCUSSION

A. HERO Program Activities Update

Barbara Spoonhour, WRCOG Director of Energy and Environmental Programs, reported that the HERO Program provides financing to residential and commercial property owners for energy efficient, water conservation, and renewable energy projects. The financing is added to the property owner's property tax bill for repayment. After today's action there will be 266 jurisdictions participating in the California HERO Program.

From January 2012 through September 10, 2015, there have been over 26,000 applications approved in the WRCOG subregion, and over 15,000 projects have been completed for nearly \$300 million in funded projects. This equates to estimates of over \$515 million in subregional economic impact, as well as the creation / retention of over 2,500 jobs, and nearly 35,000 tons of greenhouse gas emissions reductions, as well as over 135 gigawatt hours savings in utilities.

Customer satisfaction is the top priority of the HERO Program. Complaints and issues are tracked, categorized from minor to the major, and vary from contractor's work not being completed correctly, to customers not understanding the terms of their financing, or not understanding that the financing will be added to their property tax bill. Overall, there are relatively few major and minor complaints to the Program.

The commercial side of the Program has over 18 completed projects totaling over \$2.1 million, and an additional 10 projects in the construction phase totaling over \$4.7 million. It has also completed far more projects than any other Property Assessed Clean Energy (PACE) Program in California.

Member jurisdictions have contacted WRCOG indicating that other PACE providers continue to approach them requesting to operate in this subregion. In some cases, they are using commercial as a way to get their foot in the door.

At its September meeting, the WRCOG Administration & Finance Committee revisited the policy on allowing for additional PACE providers in the subregion. It was agreed that administering a multitude of PACE Programs was not a core mission of WRCOG, and the policy recommendation has been changed slightly as noted in Requested Action Number 9.

On August 26, 2015, President Obama included PACE as part of his innovative policy to accelerate renewable energy and energy retrofit projects for the nation. Ms. Spoonhour played a video on this matter. On the same date, the Federal Housing Administration (FHA), which provides home loans to over 20% of the market, announced that it will be developing guidelines which will allow PACE assessments to easily transfer to the next property owner during a sale, if the Program allows for subordination. The HERO Program has allowed for subordinations since April 2015, and are presently meeting and exceeding the minimum requirements the FHA is examining as part of its guidance.

WRCOG staff continue its outreach and partnership to the realty community. Many improvements to the Program have been made, such as updates to the consumer protections, creating a HERO Property Advisors group (which works with the property owner and real estate agent in finalizing transactions), creating clearer disclosures outlining the sale and transferability of the HERO assessment, launching HERO Protect (assists property owners with contractor issues on non-HERO projects), eliminated prepayment penalties, sending preliminary reports to a

seller and listing agent, and created a subordination agreement (to date 35 have been completed).

Last year, there were eight property owners delinquent on their HERO property tax assessment payments, meaning they did not pay their full property tax bill – not just the HERO assessment. At that time, the Administration & Finance Committee recommended that the WRCOG Executive Committee defer the foreclosure process and assign collection rights to Renovate America. WRCOG will not foreclose on a property delinquent on its property tax bill, but will assign its collection rights to Renovate America or a third party so that efforts can continue in collecting that delinquent amount.

For the 2014/2015 tax year, there are 75 parcels delinquent in its property tax bill. It is anticipated that this number will decrease over the next month. The Administration & Finance Committee has again recommended to the Executive Committee that the foreclosure process be deferred, and rights be assigned to Renovate America, and to adopt a policy as noted in Requested Action Number 7.

On August 27, 2015, WRCOG and Renovate America hosted a tour at Renovate America's office in San Diego; WRCOG's 2nd Vice-Chair Mayor Debbie Franklin and Mayor Pro Tem Laura Roughton were in attendance. The purpose of the tour was to provide a behind the scenes look at the Program operations. Renovate America has over 400 employees working to keep the HERO Program running. Another tour will be scheduled within the next few months.

Chairman Tisdale opened the public hearing. There were no comments. Chairman Tisdale closed the public hearing.

Supervisor Kevin Jeffries indicated that he is supportive of Requested Action Numbers 2 through 8; however, opposes Number 9 as it maintains a government-created monopoly and we should be encouraging competition. Supervisor Jeffries' office has received numerous phone calls from PACE providers who would like to venture into this arena; however, WRCOG is maintaining a closed-door approach to competitors.

Mayor Pro Tem Randon Lane indicated that many items came to light while he served as Chair last year, and thanked the current Chair, Vice-Chair, and 2nd Vice-Chair, and WRCOG Executive Director Rick Bishop, for their responsiveness. This Committee has ensured that we are answering questions and heading the right direction.

Mayor Jordan Ehrenkranz indicated that Southern California Edison will be putting a special assessment on properties and asked if that will have an effect on the HERO Program.

Ms. Spoonhour responded that there is a bill which passed two years ago which has a 2017 deadline for any new solar projects being placed on a property in which the property owner will have to pay a fee through their utility; this will run through the California Public Utilities Commission (CPUC). The CPUC has asked for utility providers to submit comments on creating this special tariff. The CPUC must create a tariff for solar installation occurring after 2017 in order to recoup lost revenue due to rooftop solar. This is currently being processed through the CPUC's proceedings, and staff will return with updates as they are made available.

Mayor Pro Tem Mike Naggar asked staff to address Supervisor Jeffries' comment regarding pseudo-monopoly of PACE providers in the WRCOG subregion.

Mr. Bishop responded that the Administration & Finance Committee discussed this matter, and is sensitive to the fact that the HERO Program began as a local Program and expanded statewide. A number of member jurisdictions have been, and continue to be, approached by other PACE providers looking to provide PACE services. The Executive Committee took action several months ago to request that member jurisdictions commit to the HERO Program as the sole

Program; however, if member jurisdictions were to allow for additional providers, that those providers would be required to partner with WRCOG, which would provide the same oversight and administration of its own Program.

This policy was recently revisited by the Administration & Finance Committee, which determined that it is not a core mission of WRCOG to administer multiple PACE programs. The HERO Program is very successful, and it would be best to focus all attention on the HERO Program to ensure its continued success. The issue then became how to assist member jurisdictions in considering whether to allow other PACE providers, recognizing that WRCOG is an advisory agency. The recommendation from the Administration & Finance Committee was that member jurisdictions can do whatever they like; however, given the successes, trials, tribulations, and improvements that the HERO Program has made, there were concerns that the level of service offered by other providers might not be at the same level as the HERO Program. The Administration & Finance Committee wanted to convey the message that competition is good and welcome, but local jurisdictions would be well versed to review these other programs to ensure their consumer protections and administrative oversight are at least as good as WRCOG's.

Mayor Pro Tem Naggar asked if the policy was passed, would staff be opposed to revisiting it in one year?

Mr. Bishop responded that if member jurisdictions are ready and willing to allow other PACE providers to operate in their region, staff asks that they do their due diligence to ensure any protections offered by these other providers are as good as those offered by the HERO Program. If problems arise with other providers' programs, it is likely to cause confusion amongst programs, and WRCOG will be the one receiving phone calls about problems with these other programs thinking it is the HERO Program.

Supervisor Chuck Washington indicated WRCOG does not have the jurisdiction to control the quality of any additional programs brought in under the umbrella of WRCOG. Any problems in other programs may reflect upon the HERO Program. Supervisor Washington asked if, as discussed at the Administration & Finance Committee meeting, there were any restrictions with the contract between WRCOG and Renovate America?

Mr. Bishop responded that the initial contract with Renovate America was an exclusive contract. The revised contract, updated a few months ago, removed that restriction. WRCOG technically now has the ability to administer other programs; it is a matter of whether or not the Executive Committee desires that WRCOG administer more than one HERO Program, if there is enough staff to support taking on additional programs, and would staff be able to keep additional programs consistent with the HERO Program. The latter would be very difficult.

Supervisor Washington indicated that when the restriction in the contract was removed, Renovate America tried to secure other jurisdictions into their program, which has the fall-out effect of WRCOG limiting the opportunity for growth of the HERO Program. We have been able to build a Program which sustains itself because we brought in a number of other jurisdictions. If that begins to wain or leave the fold, the Program could potentially not pay for itself. So it is not a matter of limiting other providers the opportunity to get in the game, it is a matter of how many programs can WRCOG juggle at one time.

Supervisor Jeffries indicated that we should be ensuring that the consumer has the best possible choices for the best possible services. By creating and preserving a monopoly we are preventing that from happening for the consumer's benefit. To say it is not in WRCOG's core mission, it is not WRCOG's core mission to create a monopoly either. However, Supervisor Jeffries respects this Committee's desire to preserve and protect the Program because it works. It may not be the best path, but it is the safest path.

Actions: 1. *Received summary of the Revised California HERO Program Report.*

2. *Conducted a Public Hearing Regarding the Inclusion of the Cities of Bell Gardens (Commercial only), Firebaugh, Fowler, Hayward, Huron, Madera, Patterson, San Anselmo, and Seaside, and the Counties of Del Norte and Humboldt unincorporated areas, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional cities and to hear all interested persons that may appear to support or object to, or inquire about the Program.*
3. *Adopted WRCOG Resolution Number 31-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered.*
4. *Continued the Public Hearing Regarding the Inclusion of the County of Marin unincorporated area until October 5, 2015.*
5. *Accepted the Cities of Arcata, Chowchilla, Chula Vista, Fairfax, Larkspur, Mission Viejo, Oakland, Rohnert Park, Salinas, San Rafael, Santa Cruz, Tiburon, and Trinidad, and the County of Tehama unincorporated area, as Associate Members of the Western Riverside Council of Governments.*
6. *Adopted WRCOG Resolution Number 32-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.*
7. *Supported the WRCOG Administration & Finance Committee's recommendation regarding a future HERO assessment delinquency policy: The WRCOG Executive Committee will review, on an annual basis, the number and amount of delinquencies and determine the assignment of collection rights, or to begin the judicial foreclosure process.*
8. *Deferred the judicial foreclosure process on the delinquent properties for the 2014-2015 Tax Year.*

M/S/A (Jeffries/Lane) 21-0-0; Items 6.A.1 – 6.A.8 were approved by a unanimous vote of those members present. The City of San Jacinto, the County of Riverside District 5, and the Morongo Band of Mission Indians were not present.

Councilmember Lane asked for clarification that if "...request that member jurisdictions commit to HERO as the sole PACE Program for the WRCOG subregion..." were taken out of the recommendation, that additional providers could still operate within the subregion; however, that would still not require WRCOG to take on any additional PACE programs.

Mr. Bishop responded that that is correct. The Administration & Finance Committee indicated that while it is open to allowing for additional PACE providers to operate throughout the subregion, it is not interested in having WRCOG administering multiple PACE programs. The Requested Action is cautioning member jurisdictions to do their homework prior to allowing for additional PACE providers.

Supervisor Washington motioned that rather than this Committee taken action on Requested Action Number 9, which was thoroughly discussed prior to today, that it be tabled for further discussion at a future Administration & Finance Committee meeting. There seems to be a lack of full understanding of prior discussions and what the intent is. If there is no need for a policy, because we have already stated that we welcome competition, but there is a reason to not introduce other PACE programs within the WRCOG subregion, then we should all completely understand that, and as a Joint Powers Authority (JPA), we should all support that if we can after further discussion.

Mayor Pro Tem Lane seconded the motion.

Mayor Pro Tem Laura Roughton asked for clarification in that if this item is not voted upon today, that would leave the existing policy in place, which currently indicates that if a member jurisdiction allows for additional PACE providers, that WRCOG must administer the program.

Ms. Spoonhour responded that yes, that is the current policy.

Mayor Pro Tem Roughton added that if between now and when this matter is presented for discussion and action, and a member jurisdiction allows for additional PACE providers, then WRCOG will have to administer the program; however, it has already been determined that WRCOG should not be in the business of operating multiple PACE programs.

Councilmember Kathy Azevedo indicated that the information this Committee is not receiving, which was thoroughly discussed at Administration & Finance Committee meetings, are all the ramifications of allowing for multiple PACE providers which we know nothing about, and that this is about the protection of residents and businesses; additionally, the member jurisdictions benefit from the HERO Program. There was a lot of dialogue discussed at Administration & Finance Committee meetings not being shared with this Committee today.

Mayor Debbie Franklin suggested suspending the current policy for one month until this item is brought back for discussion.

Mayor Rusty Bailey motioned that this is a work around the City of Riverside is interested in and would prefer to vote on Item Number 9, and bring something back in 30 to 60 days. This would allow the cities being pressured to open their doors to other PACE providers.

Mayor Pro Tem Roughton seconded the motion.

Councilmember Jeffrey Giba agreed that the language is not so defining that it would hurt the Committee to vote in favor of and bring it back again for further discussion and action.

Mayor Pro Tem Naggar indicated that the language is loose, but it is not realistic that member jurisdictions will undertake their own program. Part of the benefit of the HERO Program is that it is being administered collectively by WRCOG for all its member jurisdictions.

Supervisor Jeffries indicated that again, WRCOG will maintain a monopoly in only allowing one PACE Program, while allowing its member jurisdictions to allow more than one PACE provider, because it would be inconvenient for WRCOG to manage another. That is wrong for a government entity; as elected officials we do multiple bids, set minimum qualifications and standards. It is the way public policy is supposed to be administered. Supervisor Jeffries would appreciate more discussion and review of the current policy, not just receive a verbal summary of what it might be.

Supervisor Washington indicated that WRCOG is a JPA and the Executive Committee members are here representing their respective public agencies as an elected official, and as such they have the ability to do whatever we / they want in their respective cities. WRCOG is strictly facilitating a program on behalf of its member jurisdictions, which is convenient. If the County decided to do something else other than the HERO Program, it has the freedom to do so, as does each city / agency.

Chairman Tisdale called for a vote, clarifying that it is to approve the Requested Action as is, and bring the matter back for further discussion.

9. *Supported the WRCOG Administration & Finance Committee's recommendation for WRCOG to request that member jurisdictions commit to HERO as the sole PACE Program for the WRCOG subregion; however,*

if a member jurisdiction elects to move forward with other PACE providers, it should closely examine and compare a number of factors between HERO and other Programs, including local government oversight and accountability, consumer protections and contractor requirements, and adherence to Dodd-Frank and Government Finance Officers Association recommendations.

M/S/A (Bailey/Roughton) 18-0-3; Item 6.A.9 was approved by a vote of those members present. The Cities of Murrieta and Temecula, and the County of Riverside District 1 voted no. The City of San Jacinto, the County of Riverside District 5, and the Morongo Band of Mission Indians were not present.

B. Report from the League of California Cities

Erin Sasse, League of California Cities, reported that Friday was the last day of the regular session of this Legislative cycle, which is a two-year session. A special session on transportation infrastructure funding is still pending. The intention was to have a package passed by Friday; however, there were too many ideas, too many differing opinions. A Conference Committee of Legislators will begin working on additional compromises. This is most likely not to be brought up again until next year. While there is now a little more time, the League still requests support; some of the dollar amounts decreased, and the somewhat 50/50 split changed slightly. The League wants to ensure local government is receiving at least half of the funding for transportation funding; letters and resolutions of support would be appreciated.

The League is holding a webinar tomorrow to recap the session and discuss bills the Governor is anticipated to veto or sign; cities are encouraged to participate. AB 266 (Bonta, Cooley, Jones-Sawyer, Lackey, Wood): Medical Marijuana, was passed late Friday night and was a win for the League. AB 2 (Alejo), Community revitalization authority, was vetoed by the Governor last year. It was brought back this year and passed out of the Legislature and is on its way back to the Governor's desk. SB 25 (Steinberg), Agricultural labor relations: contract dispute resolution, passed out of both houses. This is the long-term funding for the four new cities.

AB 718 (as amended, Chu), Local government: powers, would allow individuals to live in their vehicles and park where they choose, and remove local government's ability to regulate where they park. This bill was moved to be enacted so is dead for this year; however, it will most likely return next year.

When the budget was released in January, there was a portion related to the dissolution of redevelopment. It was very harmful to many cities, and the League began lobbying heavily to get it opposed. The May Revised budget included several amendments; some of the provisions were still harmful. Debt forgiveness funding for the four new cities in the County of Riverside was added to this bill. The tactic was to pit cities against each other, and for the state to get the votes it wanted. The bill was further amended to AB 113 (as amended, Committee on Budget), Local government, came back as SB 107 (Committee on Budget and Fiscal Review), Local government, and was once again amended. It was voted on only a few hours after the language was released. This short time frame made it difficult for anyone to analyze the bill, and the League is still determining what the ramifications of this bill are. The bill is now on the way to the Governor's desk, and it is likely that he will sign it.

The League's annual conference is scheduled for September 30 – October 2, 2015, and a golf tournament is scheduled for October 12, 2015.

Action: 1. *Received and filed.*

C. WRCOG TUMF Program Activities Update

Ruthanne Taylor Berger, WRCOG Deputy Executive Director, reported that the TUMF Program is a regional development impact fee designed to provide transit and transportation infrastructure for Western Riverside County in order to reduce the impacts of growth.

In July, the WRCOG Administration & Finance Committee heard an appeal by Parkridge Avenue 517 Corp. (Applicant). The Applicant is building a 50,000 square foot building in the City of Norco, which is to be leased to the County of Riverside Department of Social Services. The City of Norco had assessed TUMF for the project at the service commercial rate; the Applicant argued that it should have been assessed at a government rate. The TUMF Ordinance allows for government uses to be exempt. When the Ordinance exemption was adopted in 2003, most jurisdictions were building, operating, and maintaining their own facilities; that is no longer the case. The new norm is for jurisdictions to contract with a private entity to build a building to suit, and consists of a long-term lease. WRCOG considers a long-term lease to be of 20 years or longer.

The Administration & Finance Committee directed staff to review the matter and return with a policy to address the issue of leasing, and then approved a language clarification with regard to government use when a private entity is building a building for a local government under a long-term lease. The Administration & Finance Committee is recommending the following be added to the TUMF Handbook:

- If a private entity is building for a local government, it must be built to suit, not a spec building.
- The project must carry a deed restriction indicating that the building must remain government for the life of the lease.
- If at any point in time the use changes from government, then TUMF in affect at the time will be charged to that project.
- No less than 90% of the facility will be government.
- The development must be constructed through prevailing wages.
- A copy of the lease must be provided to the jurisdiction and WRCOG.
- A definition was added to the long-term lease, which is no less than 20 years.

When the Program Update is completed, the clarifying language will then be added to the Ordinance.

The TUMF Program Update has been in process for approximately 18 months. AB 1600 requires the regular review and update of mitigation fee programs. A major component of the review process is to prepare a new / revised Nexus Study. A Nexus Study requires a reasonable relationship between the fee being assessed and new development. It requires the amount of the fee and the facility cost attributable to the land use is proportionate. It determines the extent to which new development is responsible for the needed infrastructure. Lastly, it identifies the existing need component, which cannot be part of the fee.

The Update process includes a forecast of future growth, identification of needed transportation network improvements to accommodate the new growth, and establishment of costs of needed improvements. The Nexus Study is then developed, which establishes the relationship between new growth and needed improvements, a fee allocation structure is developed, and lastly, Ordinances are implemented / adopted.

When the Program Update began, it fell in the middle of the Southern California Association of Governments' (SCAG) cycle of its Regional Transportation Program (RTP) growth forecast review process. In the spring of 2016, SCAG will be adopting its 2016 RTP, which will contain the updated growth forecast. The Program would be remiss if it did not use the most current data; therefore, staff is recommending a delay in finalizing the Nexus Study until after SCAG releases and approves 2016 RTP.

The draft Nexus Study was distributed on June 18, 2015, to the WRCOG Public Works Committee, on June 25, 2015, to a variety of stakeholders. The Nexus Study was then distributed with a few tweaks to the formatting and Appendices. The final draft Nexus Study was distributed on August 20, 2015. Over 16 letters and 100 comments have been received, and fall into a variety of categories, such as Network additions and deletions, potential impact to local jurisdictions' economy, transparency and outreach, and Program policies to name a few.

Next steps include a review and analysis of comments received, completion of a peer review, and holding workshops to review and share data inputs and the methodology to the Nexus Study. These workshops will review very detailed data inputs and methodology – they will be very technical in nature.

Mayor Eugene Montanez indicated that retail construction is the biggest concern. The amount of incentives provided, for example to heavier employee-creating businesses, should be reviewed closely.

Mayor Ike Bootsma indicated that while there may be a need for a fee increase, the amount of the proposed increase is outrageous; it will destroy retail commercial development. Further, property values will be reduced because a developer will not want to pay a big fee.

Supervisor Kevin Jeffries indicated that the proposed rate will be too expensive for the retail manufacturing community and make Riverside County unattractive for those types of uses. We all promote and are in favor of local jobs; however, the proposed fee increase will cause people to travel elsewhere for jobs, creating just the opposite of promoting the development of local jobs, and keeping people local.

Supervisor Chuck Washington indicated that we all struggle with the jobs to housing balance. Retail jobs, which create sales and tax and benefit local government, are not the types of jobs that keep people from getting on the freeway and traveling to San Diego and Orange Counties. We need to find a balance to grow an economy that creates the types of jobs that keep people off the freeways.

Supervisor John Tavaglione indicated that when the TUMF Program was created, the Supervisor attempted to bring together experts in the arena, such as industrial, office, and retail. No one came to the table from office nor retail. This time, there are many retail experts involved in the review process. These experts have indicated that the proposed fee increase will adversely impact retail, which is the tax base for local jurisdictions. Supervisor Tavaglione indicated that the industry has changed immensely from just two years ago. We need more time to ensure the proposed fee increase is accurate.

Councilmember Jeffrey Giba indicated that staff is wise to delay the finalization of the Nexus Study until after SCAG releases its updated growth forecast as part of the 2016 RTP.

Mayor Pro Tem Bonnie Wright indicated that the City of Hemet is just getting back on its feet, and is experiencing a slight increase in development. The proposed fee increase is not discouraged, but the amount of the fee increase is.

Councilmember Giba asked why the City of Norco rejected the appeal.

Ms. Taylor Berger responded that the current exemption is for government-owned and operated. The Ordinance does not state that; however, that has been the historical interpretation. Therefore, because the building was not government-owned and operated, but leased by a private entity, the City denied the appeal. The applicant then brought the appeal to WRCOG, as is the appropriate process.

Councilmember Giba asked what the definition of a public facility is.

Ms. Taylor Berger responded that she did not have that definition on hand but would follow-up.

Councilmember Giba indicated that we could be setting a precedent. We heard an appeal, and then changed the language to accommodate the lease. When a private entity builds a building, after a 20-year lease expires, that private entity still owns that building. Cities and municipalities use the TUMF to upgrade roads. If that fee will no longer be provided, because the building will now be leased, the city or municipality will not have received the use of what those fees should have covered.

Ms. Taylor Berger responded that if at the end of the lease, or at any time during the lease, that government use changes, then TUMF will be owed by the developer.

Councilmember Giba indicated that the city or municipality could utilize the fee now. They will not have that under these new proposed conditions. If a government entity chooses to lease a building, the developer should still be required to pay its TUMF, and adjust its lease accordingly should the developer desire to recover those fees. If the language is changed, this could be an opportunity for many businesses to become involved in a P3 environment and the TUMF will not be readily available for municipalities.

Ms. Taylor Berger responded that the Administration & Finance Committee had an extensive discussion on that. There was a concern that if leases increase for government use that the public then is essentially being harmed by local agencies having to pay a higher lease. The new norm is moving toward local government leasing buildings versus building their own.

Councilmember Kathy Azevedo indicated that the City of Norco did not feel it had a say so in the appeal, as it had to do with land in an unincorporated area of the County. Additionally, there are many buildings within the City that are government occupied, none of which are generating sales tax. In 20 years, if the County leaves the building it is currently occupying, the building will be difficult to lease to someone else because there will be exorbitant fees due. If the County is getting a better deal in leasing a building long-term, therefore benefiting the County, then Councilmember Azevedo supports the matter.

Supervisor Washington responded that TUMF appeals are required to come before WRCOG, as member jurisdictions do not have the authority to approve nor deny an appeal. When the Administration & Finance Committee heard the appeal, Supervisor Marion Ashley indicated that in today's environment, the County does not have the dollars necessary to build public facilities, which are necessary to provide the services required to be provided by the County. In this case, the developer is building a building exactly as the County has asked for. There was a concern regarding length of lease terms, which brought about the clarification of 20 years or longer. This is essentially is no different that if the public agency had built the facility itself and would not have been required to pay TUMF anyway. In 20 years, if the government entity departs the building, and the use is no longer government, the deed restriction requires developer to pay the current TUMF. It is most probable that the owner of the building would want to find another public entity to lease to.

Supervisor Tavaglione indicated that this matter will likely be coming up more often. The County provides social and health and human services, and must build health clinics, and also provides library services in some locations. In the old days, the County would use redevelopment funding to build buildings. This is no longer an option, so it works with developers to build buildings to suit. With current health reforms, more clinics will be built. They will have to be built the same way.

Councilmember Giba indicated that the developer will still have the benefit. Councilmember Giba asked what will be the TUMF be in 20 years? Will they pay the fee value of the year it was

deferred? Or the value 20 years from now?

Ms. Taylor Berger responded that the condition requires if the use changes from a government facility at any time, it shall trigger payment of TUMF in affect at the time of the change in use.

Councilmember Giba indicated that developers will compare TUMF and prevailing wages to determine their best course of action, and the region as a whole will not benefit.

Mayor Montanez indicated that the developer is bringing forward its appeal for exemption after its lease has been negotiated with the County. The request to approve the appeal should be tabled or denied until / unless the County requests the exemption, knowing that the County would have renegotiated the lease to receive the benefit of the TUMF exemption. The building has already been built, the lease has already been negotiated, and the developer is requesting a refund. If the County renegotiates its lease on this building and others, then the County should be the one asking for the exemption; we would then know that the County has been made whole.

Actions: 1. *Approved the proposed exemption policy for government buildings / public facilities and revise the TUMF Fee Calculation Handbook accordingly.*

M/S/A (Benoit/Rogers) 16-0-1; Item 6.C.1 was approved by a vote of those members present. The City of Moreno Valley voted no. The Cities of Murrieta, San Jacinto and Temecula, the County of Riverside Districts 1 and 5, were not present. The Morongo Band of Mission Indians and water districts do not vote on TUMF matters.

2. *Approved the TUMF Appeal for Parkridge Avenue 517 Corp. which exempts the applicant from the payment of TUMF provided it complies with all of the requirements of the revised government/public facilities exemption in the TUMF Fee Calculation Handbook.*

M/S/A (Washington/Rogers) 10-0-6; Item 6.C.2 was approved by a vote of those members present. The Cities of Banning, Calimesa, Corona, Eastvale, Moreno Valley, and Norco voted no. The Cities of Murrieta, San Jacinto and Temecula, the County of Riverside Districts 1 and 5, were not present. The Morongo Band of Mission Indians and water districts do not vote on TUMF matters. The Morongo Band of Mission Indians and water districts do not vote on TUMF matters.

3. *Delayed finalizing the Nexus Study for the TUMF Program Update until the 2016 Southern California Association of Governments' 2016 Regional Transportation Plan / Sustainable Communities Strategy growth forecast is available for inclusion in the Nexus Study.*

M/S/A (Washington/Benoit) 16-0-0; Item 6.C.3 was approved by a unanimous vote of those members present. The Cities of Murrieta, San Jacinto and Temecula, the County of Riverside Districts 1 and 5, were not present.

D. Regional Streetlight Program Activities Update

Tyler Masters, WRCOG Staff Analyst, reported that over the past few years municipalities have begun to identify that streetlights owned by Southern California Edison (SCE) rate as one of the highest energy line item costs, and totals approximately \$10 million annually region wide.

In December 2014, WRCOG staff was directed to pursue the development and administration of a Regional Streetlight Program and to negotiate and enter into an agreement to prepare an in-depth regional streetlight inventory.

Economies of scale remain a huge benefit in developing a regional program. In developing such a program, there are several goals to be attained, such as an increase in safety (met by providing

high quality lights), while also providing dark sky requirements; reducing energy costs; and assisting member jurisdictions in meeting statewide energy and greenhouse gas emissions reduction goals.

Most jurisdictions currently pay SCE a little more than \$12 per pole, per month. Upwards of 58,000 SCE-owned streetlights fall within this rate within the WRCOG subregion. In transitioning these streetlights to the jurisdictions, and upgrading and retrofitting with LED lights, there would be a regional savings of up to 50% per month, or approximately \$6.20 per pole.

WRCOG and its consultant have met with member jurisdictions to discuss the task of conducting a regional streetlight inventory. To date, 58,000 streetlights have been audited, assessed, and inventoried. As the data is compiled into a GIS system, it will be made available in each jurisdictions' final report, to be distributed later this year.

Member jurisdictions will soon enter into an SCE Valuation process with SCE; this process will determine the streetlight system cost during acquisition. Currently there are 16 member jurisdictions and agencies in the initial valuation process, and three will be receiving their reports sometime this month. Following the distribution of reports, SCE and member jurisdictions will draft Purchase and Sale Agreements, to be used in the CPUC 851 application process. Subsequent to the CPUC approval, transition of pole ownership will begin at which point LED retrofits can occur.

A Request for Proposal (RFP) was released in August 2015, and is anticipated to be awarded by October 2015. Future RFPs will evolve around LED retrofit, operations, and ongoing maintenance once acquired from SCE.

The financing of this Program will be paid back through cost savings identified in the reduction of energy and utility costs. It is anticipated that member jurisdictions will not see any upfront costs for improvements, and WRCOG's expenses will be recovered from bond proceeds.

Action: 1. *Received and filed.*

7. REPORT FROM THE WRCOG TECHNICAL ADVISORY COMMITTEE (TAC) CHAIR

Grant Yates, WRCOG TAC Chairman, reported that the TAC did not meet last month so there is no update.

8. REPORT FROM COMMITTEE REPRESENTATIVES

Mayor Debbie Franklin, Southern California Association of Governments (SCAG) Community, Economic, & Human Development (CEHD) Committee representative, reported that the CEHD recently discussed housing and the changes with regard to millennials; information will be provided in the 2016 Regional Transportation Plan.

Mayor Ben Benoit, South Coast Air Quality Management District (AQMD) representative for cities in Riverside County, reported that the California Air Resources Board is looking to relocate; one potential location is here in the City of Riverside. White Papers are being released for each section of the Air Quality Management Plan.

9. REPORT FROM THE WRCOG EXECUTIVE DIRECTOR

Rick Bishop, WRCOG Executive Director, reported that WRCOG will be holding LED Light Exchange events throughout the subregion. WRCOG's Advancing the Choice event, organized through the WRCOG Clean Cities Coalition, is scheduled for October 29, 2015, at the University of Riverside Center for Environmental Research & Technology; the theme is "How will you get around in 20 years?" Jim

Madaffer of the California Transportation Commission will be speaking about the emerging development of autonomous vehicles and their impact on the future of transportation. Lastly, Southern California Association of Governments' (SCAG) Executive Director Hasan Ikhata will be presenting to this Committee on SCAG's 2016 Regional Transportation Plan / Sustainable Communities Strategy.

10. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

12. GENERAL ANNOUNCEMENTS

There were no general announcements.

12. CLOSED SESSION

There were no reportable actions.

13. NEXT MEETING:

The next WRCOG Executive Committee meeting is scheduled for Monday, October 5, 2015, at 2:00 p.m., in the Riverside County Administrative Center, 1st Floor Board Chambers.

14. ADJOURNMENT:

The meeting of the WRCOG Executive Committee adjourned from Closed Session at 4:13 p.m.

Page Intentionally Left Blank



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Healthy Communities Activities Update

Contact: Jennifer Ward, Program Manager, ward@wrcog.cog.ca.us, (951) 955-0186

Date: October 5, 2015

Requested Action:

1. Receive and file.

WRCOG adopted an Economic Development and Sustainability Framework in December 2012, which establishes the WRCOG Executive Committee's goals and desired action items related to six core components of sustainability and quality of life: Economic Development, Education, Health, Transportation, Water and Wastewater, and Energy and the Environment. As an implementation step for the Sustainability Framework, WRCOG has initiated various healthy communities activities to further explore priority health issues and how jurisdictions and private sector partners can collaborate to address health disparities in Western Riverside County.

Health Subcommittee

WRCOG's ad-hoc Health Subcommittee, chaired by Councilmember Rita Rogers from the City of Perris, is working to identify ways to implement the health goals identified in the Sustainability Framework. WRCOG received a Sustainability Grant from the Southern California Association of Governments (SCAG) to support the Health Subcommittee's efforts. Currently, the Health Subcommittee is helping WRCOG develop a health assessment tool, branded *CAPtivate: A Healthy Western Riverside County*, which can be used to measure progress towards performance targets set forth by the Subcommittee. This tool will be able to guide jurisdictions in decision making by estimating the health impacts of changes in air quality and physical activity. The purpose of the tool is to allow jurisdictions to estimate the health co-benefits of Climate Action Plan (CAP) Measures and perform scenario-based, "what if" analyses. The tool addresses common public health challenges by unifying the subregion on best practices for healthier communities and measuring success. The health assessment tool will ultimately guide jurisdictions in implementing effective health promotion strategies and interventions, while also informing policies to improve population health and mitigate climate change.

A complete draft of the *CAPtivate* monitoring tool was presented to the Health Subcommittee for review on September 26, 2015. Comments from Subcommittee members will be incorporated into a final draft tool, which will be presented to the WRCOG Planning Directors' Committee, Technical Advisory Committee, and Executive Committee, with completion of the tool expected to occur in December 2015. The Health Subcommittee has been working in close concert with the Riverside County Department of Public Health (DOPH) and health experts on the development of the monitoring tool to ensure it captures the most up-to-date research and data available. The *CAPtivate* monitoring tool is another resource for WRCOG and member jurisdictions to use in creatively addressing health issues in Western Riverside County.

"Be Healthy" Communications Campaign

WRCOG, in conjunction with the County of Riverside, launched a "Be Healthy" communications campaign to support regional health initiatives and promote positive health choices for Western Riverside County residents and employees. The pilot campaign incorporates various communications activities, including "Be Healthy" graphics provided to member jurisdictions for use in promotional advertisements, and "Be Health" policy briefs, which serve as an informational tool to explore important health topics and strategies for change. More information on WRCOG health activities and completed projects, ways to get involved with regional health coalitions, and links to relevant studies, surveys, and other health resources can be found under the "Healthy Communities" section of the WRCOG website at www.wrcog.coq.ca.us/community/healthy-communities.

Riverside County Health Coalition

To further expand its participation in regional and local healthy communities efforts, WRCOG participates on the Riverside County Health Coalition (RCHC). RCHC members represent both public and private sectors, including various county agencies, cities, school districts and colleges, and foundations. RCHC members work collaboratively to identify and support broader solutions to combat obesity, poor nutrition and physical inactivity to improve the overall health of Riverside County residents and enhance the community's capacity to address these risk factors. Quarterly membership meetings are held to share best practices and report on workgroup activities. WRCOG supports the Healthy City Resolution Workgroup of the RCHC, which focuses on helping jurisdictions adopt a Healthy City Resolution. Resources for adopting Healthy City Resolutions and incorporating health into local General Plans are available on WRCOG's website, and on the RCHC website: <http://www.healthyriversidecounty.org/>. Currently, WRCOG is assisting the workgroup in developing a Healthy Cities Network. The Network would provide structured and regional support to those jurisdictions who are promoting health at the local level.

Events and Items of Interest

October 3, 2015: WRCOG will be receiving a California American Planning Association (APA) Award for its CAPtivate: A Healthy Western Riverside County project at the APA Annual Conference in Oakland, CA.

October 6, 2015: Next Healthy Jurupa Valley Community Meeting, to be held at 8:30 a.m. at the Rancho Jurupa Park, 4800 Crestmore Road, Jurupa Valley.

October 21, 2015: Next Riverside County Health Coalition meeting, to be held at 10:00 a.m. in the Moreno Valley Towngate Center, 13100 Arbor Park Lane, Moreno Valley.

November 12, 2015: WRCOG's healthy communities efforts will be featured on a panel during the Southern California Public Health Association 2015 Annual Conference, taking place at the California Endowment's Center for Healthy Communities.

Prior WRCOG Action:

September 17, 2015: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

None.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG Finance Department Activities Update

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.cog.ca.us, (951) 955-8432

Date: October 5, 2015

Requested Action:

1. Receive and file.
-

Following is a schedule of finance-related activities for the Fiscal Year (FY).

Financial Audit

Auditors from Vavrinek, Trine, Day, and Co., LLP were in WRCOG's office completing fieldwork during the week of September 7, 2015. Staff has provided all documents requested from the auditors and it is expected that the year-end draft Comprehensive Annual Financial Report (CAFR) will be completed by October 31, 2015. Once the CAFR is issued, it will be presented for review to the WRCOG Finance Directors' Committee in November, and to the WRCOG Administration & Finance Committee and WRCOG Technical Advisory Committee (TAC) in December. It is anticipated to have the CAFR presented to the WRCOG Executive Committee for consideration at its January 2016 meeting.

Budget Amendment

September 30, 2015, marked the end of the first quarter of FY 2015/2016, and it is anticipated that the Administration & Finance Committee will receive a budget amendment report at its October meeting and the Executive Committee will receive and consider adopting any amendments at the November 2015 meeting. Remaining budget amendments are tentatively scheduled for Executive Committee consideration in February 2016, May 2016, and August 2016.

Annual TUMF Audit

Letters were transmitted to each member jurisdiction during the week of September 7, 2015, to schedule annual TUMF audit meetings. The TUMF audits will commence in September and are anticipated to be completed in November 2015. The TUMF audits provide staff an opportunity to ensure that jurisdictions are correctly calculating and remitting TUMF funds in compliance with the TUMF Program.

FY 2016/2017 Budget Process

It is anticipated that in January 2016, staff will begin the process of compiling documents and information to prepare the FY 2016/2017 Agency Budget. This process will begin with the creation of budget templates and involves input from each of the department managers at WRCOG. Once a draft budget is prepared, the first opportunity for review will be to the Finance Directors' Committee in March 2016. The budget will be

presented twice to the Finance Directors, twice to the Administration & Finance Committee, twice to the TAC, and twice to the Executive Committee before consideration by the WRCOG General Assembly in June 2016.

Prior WRCOG Action:

September 17, 2015: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

None.

Attachment:

None.



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: WRCOG TUMF Program Activities Update

Contact: Ruthanne Taylor Berger, Deputy Executive Director, berger@wrcog.cog.ca.us, (951) 955-8304

Date: October 5, 2015

Requested Action:

1. Receive and file.
-

WRCOG's Transportation Uniform Mitigation Fee (TUMF) Program is a regional fee program designed to provide transportation and transit infrastructure that mitigates the impact of new growth in Western Riverside County. Each of WRCOG's member jurisdictions participates in the Program through an adopted ordinance, collects fees from new development, and remits the fees to WRCOG. WRCOG, as administrator of the TUMF Program, allocates TUMF to the Riverside County Transportation Commission (RCTC), groupings of jurisdictions – referred to as TUMF Zones – based on the amounts of fees collected in these groups, and the Riverside Transit Agency (RTA). Fees are used for planning, engineering, right-of-way acquisition, and construction of eligible TUMF facilities. Since the Program began in 2003, more than \$635 million in revenues have been collected, and nearly 80 projects have been completed. In all, TUMF will provide nearly \$4 billion in improvements to Western Riverside County.

TUMF Nexus Study Update

The TUMF Program is designed to mitigate the cumulative traffic impact of new development on the regional arterial system in Western Riverside County. The Program is a development impact fee and therefore is subject to the California Mitigation Fee Act (AB 1600, Govt. Code § 6600) which mandates that a Nexus Study be prepared to demonstrate a reasonable and rational relationship between the fee and the proposed improvements for which the fee is used. WRCOG staff and its TUMF consultant, Parsons Brinckerhoff, Inc., have been undertaking the process of developing a comprehensive update to the Nexus Study.

The WRCOG Executive Committee approved a delay in finalizing the Nexus Study for the TUMF Program Update until the 2016 Southern California Association of Governments Regional Transportation Plan / Sustainable Communities Strategy (RTP/SCS) growth forecast is available for inclusion in the Nexus Study. Staff has been working on the following update activities:

2015 TUMF Nexus Study Peer Review: WRCOG retained Albert A. Webb Associates (Consultant) to conduct a peer review of the 2015 draft TUMF Nexus Study. The Consultant reviewed the 2015 draft TUMF Nexus Study and Appendices to ensure that the AB 1600 requirements have been met. On September 22, 2015, WRCOG staff, Parsons Brinckerhoff, Inc., and the Consultant held an initial meeting to review the Consultant's comments on the 2015 draft TUMF Nexus Study. The meeting focused on the technical data inputs of the draft Nexus Study. It is anticipated that the Consultant will submit a formal comment letter to WRCOG in the first week of October.

Response to Comments: The local and private sector comments submitted in response to the 2015 draft TUMF Nexus Study continue to be reviewed and analyzed by Parsons Brinckerhoff, Inc., and each comment will be addressed as part of the Nexus Study Update process.

TUMF Nexus Study Update Outreach: WRCOG and Parsons Brinckerhoff, Inc., will hold workshops in each of the five TUMF Zones at the end of October and early November to review the technical data and methodology to the Nexus Study. The workshops will provide a very technical overview and the opportunity for stakeholders to thoroughly review and discuss the data inputs and methodology used to prepare the revised Nexus Study.

Fee Review in Local Jurisdictions: WRCOG will conduct a review of fees/exactions for jurisdictions within and bordering the region.

WRCOG anticipates conducting additional workshops with member jurisdictions in the fall / winter to provide presentations on the TUMF Program, its legal requirements, and the Nexus Study.

Upcoming TUMF Activities

2015 TUMF Annual Report: WRCOG staff has begun drafting the 2015 TUMF Annual Report, which will highlight TUMF projects that were underway during Fiscal Year (FY) 2014/2015. The TUMF Annual Report will update the 5-Year Expenditure findings that document how the TUMF Program has expended its TUMF revenue since FY 2002/2003 through June 30, 2015.

FY 2014/2015 TUMF Audit: As part of its administrative duties, WRCOG is required to audit each participating agency to ensure that the correct TUMF is being properly collected and transmitted to WRCOG. WRCOG's Chief Financial Officer will begin the jurisdictional audits in October. Letters of Engagement have been transmitted to all member agencies and site-visits are being scheduled with all jurisdictions.

5-Year Transportation Improvement Program (TIP) Administrative Amendment: Due to the Nexus Study delay until 2016, the 5-Year TIP will be administrative amendments to the TIP's adopted January 2015. WRCOG is finalizing the new Fiscal Year (FY) 2015/2016 forecast, interest, carryover figures, and all payments through June 30, 2015, which will be reflected on the Draft 2016 Zone 5-Year TIP's. The Draft 2016 Zone 5-Year TIP Administrative Amendment cycle allows for minimal adjustment requests, such as delaying funding, or once a phase has been completed and closed-out, transferring any unused funding to another project within the same jurisdiction and fiscal year. However, project phases cannot be advanced, nor can new phases added to the Draft 5-Year TIP during this cycle. Staff anticipates transmitting the Draft 2015 Zone 5-Year TIP Amendment packets to jurisdictions by mid-October, and anticipates that the draft 5-Year TIP amendments will be approved by the WRCOG Executive Director by January 2016 at the latest.

Prior WRCOG Action:

September 17, 2015: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

Unknown.

Attachment:

1. Summary of TUMF Program Revenues.

Item 5.E

WRCOG TUMF Program
Activities Update

Attachment 1

Summary of TUMF Program
Revenues

Page Intentionally Left Blank

ZONE SUMMARY

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending July 31, 2015

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
REVENUES	<u>Total</u>	<u>Total</u>	<u>Total</u>
<i>Commercial/Services</i>	44,069	44,069	26,810,381
<i>Retail</i>	-	-	59,235,425
<i>Industrial</i>	-	-	42,910,756
<i>Single Family/Residential</i>	-	-	461,180,585
<i>Multi-Family Dwellings</i>	-	-	48,599,196
Revenue Sub Total	<u>44,069</u>	<u>44,069</u>	<u>638,736,342</u>
Interest Earned	-	-	32,252,391
Revenue Total	<u>44,069</u>	<u>44,069</u>	<u>670,988,733</u>
EXPENDITURES			
<i>Refunds</i>	-	-	17,094,884
<i>Developer/Credit Reimbursements</i>	-	-	10,466,553
<i>Local Jurisdiction Reimbursements</i>	132,471	132,471	251,738,852
<i>RCTC Share Payments</i>	953,214	953,214	289,475,346
<i>WRCOG Expenditures</i>	58,112	58,112	17,718,475
Expenditure Total	<u>1,143,797</u>	<u>1,143,797</u>	<u>586,494,110</u>
Transfer-In from Zones to WRCOG	-	-	956,204
REVENUES OVER<UNDER> EXPENDITURES	(1,099,730)	(1,099,730)	85,450,826
ZONE NET REVENUE TOTALS SINCE INCEPTION			
Northwest Zone	(132,471)	(132,471)	10,401,728
Southwest Zone	-	-	29,739,749
Central Zone	20,443	20,443	23,344,597
Pass Zone	-	-	2,281,932
Hemet/SJ Zone	-	-	2,619,564
RTA	723	723	15,076,412
RCTC	(932,771)	(932,771)	1,653,836
MSHCP	696	696	457,998
WRCOG	(0)	(0)	1,655
Zone Totals	<u>(1,043,380)</u>	<u>(1,043,380)</u>	<u>85,577,472</u>

NORTHWEST ZONE

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending July 31, 2015

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
	<u>Total</u>	<u>Total</u>	<u>Total</u>
REVENUES			
Commercial/Services	-	-	5,231,134
Retail	-	-	5,222,863
Industrial	-	-	9,828,288
Single Family/Residential	-	-	78,980,202
Multi-Family Dwellings	-	-	8,066,288
Revenue Sub Total	<hr/> -	<hr/> -	<hr/> 107,328,775
Interest Earned	-	-	8,552,941
Revenue Total	<hr/> -	<hr/> -	<hr/> 115,881,716
EXPENDITURES			
Refunds	-	-	3,719,228
Developer/Credit Reimbursements	-	-	4,921,064
Local Jurisdiction Reimbursements	132,471	132,471	96,839,696
Expenditure Total	<hr/> 132,471	<hr/> 132,471	<hr/> 105,479,988
REVENUES OVER<UNDER> EXPENDITURES	(132,471)	(132,471)	10,401,728
Fiscal Year 2015/2016 Estimated Revenue	-		
Actual Revenue YTD	<hr/> -		
Over/<Under> Budget for FY 2015/2016	-		

SOUTHWEST ZONE

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending July 31, 2015

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
REVENUES	<u>Total</u>	<u>Total</u>	<u>Total</u>
<i>Commercial/Services</i>	-	-	4,847,734
<i>Retail</i>	-	-	12,279,941
<i>Industrial</i>	-	-	1,748,848
<i>Single Family/Residential</i>	-	-	63,607,862
<i>Multi-Family Dwellings</i>	-	-	9,949,143
Revenue Sub Total	<hr/> -	<hr/> -	<hr/> 92,433,529
Interest Earned	-	-	10,534,436
Revenue Total	<hr/> -	<hr/> -	<hr/> 102,967,964
EXPENDITURES			
<i>Refunds</i>	-	-	3,017,054
<i>Developer/Credit Reimbursements</i>	-	-	4,751,305
<i>Local Jurisdiction Reimbursements</i>	-	-	65,459,856
Expenditure Total	<hr/> -	<hr/> -	<hr/> 73,228,215
REVENUES OVER<UNDER> EXPENDITURES	-	-	29,739,749
Fiscal Year 2015/2016 Estimated Revenue	-		
Actual Revenue YTD	<hr/> -		
Over/<Under> Budget for FY 2015/2016	-		

CENTRAL ZONE

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending July 31, 2015

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
	<u>Total</u>	<u>Total</u>	<u>Total</u>
REVENUES			
<i>Commercial/Services</i>	20,443	20,443	864,185
<i>Retail</i>	-	-	6,016,346
<i>Industrial</i>	-	-	7,516,519
<i>Single Family/Residential</i>	-	-	51,441,726
<i>Multi-Family Dwellings</i>	-	-	3,878,985
Revenue Sub Total	<u>20,443</u>	<u>20,443</u>	<u>69,717,761</u>
Interest Earned	-	-	7,225,861
Revenue Total	<u>20,443</u>	<u>20,443</u>	<u>76,943,622</u>
EXPENDITURES			
<i>Refunds</i>	-	-	1,011,889
<i>Developer/Credit Reimbursements</i>	-	-	712,455
<i>Local Jurisdiction Reimbursements</i>	-	-	51,874,681
Expenditure Total	<u>-</u>	<u>-</u>	<u>53,599,024</u>
REVENUES OVER<UNDER> EXPENDITURES	20,443	20,443	23,344,597
Fiscal Year 2015/2016 Estimated Revenue	-		
Actual Revenue YTD	<u>20,443</u>		
Over/<Under> Budget for FY 2015/2016	20,443		

PASS ZONE

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending July 31, 2015

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
	<u>Total</u>	<u>Total</u>	<u>Total</u>
REVENUES			
<i>Commercial/Services</i>	-	-	621,989
<i>Retail</i>	-	-	973,127
<i>Industrial</i>	-	-	641,009
<i>Single Family/Residential</i>	-	-	4,227,345
<i>Multi-Family Dwellings</i>	-	-	162,895
Revenue Sub Total	<hr/> -	<hr/> -	<hr/> 6,626,364
Interest Earned	-	-	884,076
Revenue Total	<hr/> -	<hr/> -	<hr/> 7,510,440
EXPENDITURES			
<i>Refunds</i>	-	-	119,248
<i>Developer/Credit Reimbursements</i>	-	-	-
<i>Local Jurisdiction Reimbursements</i>	-	-	5,109,260
Expenditure Total	<hr/> -	<hr/> -	<hr/> 5,228,508
REVENUES OVER<UNDER> EXPENDITURES	-	-	2,281,932
Fiscal Year 2015/2016 Estimated Revenue	-		
Actual Revenue YTD	<hr/> -		
Over/<Under> Budget for FY 2015/2016	-		

HEMET/SAN JACINTO ZONE

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending July 31, 2015

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
	<u>Total</u>	<u>Total</u>	<u>Total</u>
REVENUES			
Commercial/Services	-	-	840,001
Retail	-	-	3,233,780
Industrial	-	-	284,755
Single Family/Residential	-	-	18,212,690
Multi-Family Dwellings	-	-	553,442
Revenue Sub Total	<hr/> -	<hr/> -	<hr/> 23,124,669
Interest Earned	-	-	2,411,462
Revenue Total	<hr/> -	<hr/> -	<hr/> 25,536,130
EXPENDITURES			
Refunds	-	-	322,647
Developer/Credit Reimbursements	-	-	81,729
Local Jurisdiction Reimbursements	-	-	22,512,190
Expenditure Total	<hr/> -	<hr/> -	<hr/> 22,916,566
REVENUES OVER<UNDER> EXPENDITURES	-	-	2,619,564
Fiscal Year 2015/2016 Estimated Revenue	-		
Actual Revenue YTD	<hr/> -		
Over/<Under> Budget for FY 2015/2016	-		

RIVERSIDE TRANSIT AUTHORITY

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending July 31, 2015

	Month-to-Date	Fiscal	Life-to-Date
	<u>Total</u>	Year-to-Date	<u>Total</u>
REVENUES		<u>Total</u>	
<i>Commercial/Services</i>	723	723	730,908
<i>Retail</i>	-	-	1,547,765
<i>Industrial</i>	-	-	1,129,674
<i>Single Family/Residential</i>	-	-	14,946,060
<i>Multi-Family Dwellings</i>	-	-	1,203,705
Revenue Sub Total	<u>723</u>	<u>723</u>	<u>19,558,113</u>
Interest Earned	-	-	2,503,132
Revenue Total	<u>723</u>	<u>723</u>	<u>22,061,244</u>
EXPENDITURES			
<i>Refunds</i>	-	-	541,895
<i>Developer/Credit Reimbursements</i>	-	-	-
<i>Local Jurisdiction Reimbursements</i>	-	-	6,442,937
Expenditure Total	<u>-</u>	<u>-</u>	<u>6,984,832</u>
REVENUES OVER<UNDER> EXPENDITURES	723	723	15,076,412
Fiscal Year 2015/2016 Estimated Revenue	-		
Actual Revenue YTD	<u>723</u>		
Over/<Under> Budget for FY 2015/2016	723		

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending July 31, 2015

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
	<u>Total</u>	<u>Total</u>	<u>Total</u>
REVENUES			
Commercial/Services	20,443	20,443	12,619,502
Retail	-	-	27,662,481
Industrial	-	-	20,053,274
Single Family/Residential	-	-	216,221,639
Multi-Family Dwellings	-	-	22,674,330
Revenue Sub Total	<u>20,443</u>	<u>20,443</u>	<u>299,231,227</u>
Interest Earned	-	-	32,918
Revenue Total	<u>20,443</u>	<u>20,443</u>	<u>299,264,145</u>
EXPENDITURES			
Refunds	-	-	8,134,962
RCTC Share Payments	953,214	953,214	289,475,346
Local Jurisdiction Reimbursement	-	-	-
Expenditure Total	<u>953,214</u>	<u>953,214</u>	<u>297,610,308</u>
REVENUES OVER<UNDER> EXPENDITURES	(932,771)	(932,771)	1,653,836

MULTI-SPECIES HABITAT CONSERVATION PROGRAM

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending July 31, 2015

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
<i>REVENUES</i>	<i><u>Total</u></i>	<i><u>Total</u></i>	<i><u>Total</u></i>
<i>Commercial/Services</i>	696	696	279,261
<i>Retail</i>	-	-	647,228
<i>Industrial</i>	-	-	435,362
<i>Single Family/Residential</i>	-	-	2,045,328
<i>Multi-Family Dwellings</i>	-	-	546,454
Revenue Sub Total	<u>696</u>	<u>696</u>	<u>3,953,634</u>
Interest Earned	-	-	105,912
Revenue Total	<u>696</u>	<u>696</u>	<u>4,059,546</u>
<i>EXPENDITURES</i>			
<i>Refunds</i>	-	-	101,316
<i>RCA Reimbursements</i>	-	-	3,500,232
Expenditure Total	<u>-</u>	<u>-</u>	<u>3,601,548</u>
<i>REVENUES OVER<UNDER> EXPENDITURES</i>	696	696	457,998

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Transportation Uniform Mitigation Fee Revenues and Expenditures
For the Month Ending July 31, 2015

	Month-to-Date	Fiscal Year-to-Date	Life-to-Date
	<u>Total</u>	<u>Total</u>	<u>Total</u>
REVENUES			
<i>Commercial/Services</i>	1,763	1,763	775,666
<i>Retail</i>	-	-	1,651,892
<i>Industrial</i>	-	-	1,273,026
<i>Single Family/Residential</i>	-	-	11,497,733
<i>Multi-Family Dwellings</i>	-	-	1,563,954
Revenue Sub Total	<u>1,763</u>	<u>1,763</u>	<u>16,762,271</u>
Interest Earned	-	-	1,655
Revenue Total	<u>1,763</u>	<u>1,763</u>	<u>16,763,926</u>
EXPENDITURES			
<i>Refunds</i>	-	-	126,646
<i>Expenditures</i>	58,112	58,112	17,718,475
Expenditure Total	<u>58,112</u>	<u>58,112</u>	<u>17,845,121</u>
Transfer-In from Zones	56,349	56,349	956,204
REVENUES OVER<UNDER> EXPENDITURES	(0)	(0)	1,655



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: SCAG Activities Update

Contact: Jennifer Ward, Program Manager, ward@wrcog.cog.ca.us, (951) 955-0186

Date: October 5, 2015

Requested Action:

1. Receive and file.
-

The Southern California Association of Governments (SCAG) is an association of local governments and agencies that voluntarily convene as a forum to address regional issues. SCAG encompasses a region of six Counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino and Ventura) and 191 cities. SCAG develops long-range regional plans, including the Regional Transportation Plan / Sustainable Communities Strategy, growth forecasts, regional transportation improvement programs, regional housing needs allocations, and a portion of the South Coast Air Quality Management Plans. Representatives from the WRCOG subregion serve on SCAG's Regional Council and Policy Committees, and WRCOG staff participates in SCAG's planning initiatives to keep member jurisdictions apprised of important regional issues and relevant activities. For more information on SCAG, visit their website at www.scag.ca.gov.

Background

Founded in 1965, SCAG is a Joint Powers Authority under California state law, established as an association of local governments and agencies that voluntarily come together on issues of common concern. Under federal law, SCAG is designated as a Metropolitan Planning Organization (MPO), and under state law as a Regional Transportation Planning Agency (RTPA) and a Council of Governments (COG). In addition to the six counties and 191 cities that comprise SCAG's region, there are six County Transportation Commissions that hold the primary responsibility for programming and implementing transportation projects, programs, and services in their respective counties. Additionally, SCAG Bylaws provide for representation of Native American Tribes and Air Districts within the region on its Regional Council and Policy Committees.

Generally, SCAG develops long-range regional transportation plans, to include sustainable communities strategy and growth forecast components, regional transportation improvement programs, regional housing needs allocations, and a portion of the South Coast Air Quality Management Plans. SCAG's governing body, the Regional Council, is comprised of 86 members who represent geographical districts. In addition to the Regional Council, SCAG has three Policy Committees: Transportation; Energy & Environment; and Community, Economic and Human Development. A number of subcommittees, task forces, and working groups report to the standing committees responsible for policy direction and review. Western Riverside County has a total of fourteen representatives on the Regional Council and Policy Committees. The list of current SCAG Regional Council and Policy Committee Representatives from Western Riverside County is attached. The SCAG Regional Council and Policy Committees typically meet on the first Thursday of each month at SCAG's Office in Los Angeles. For up-to-date meeting information, schedule changes, and agendas, please visit SCAG's website at <http://www.scag.ca.gov/committees/Pages/default.aspx>.

Major Planning Initiatives

WRCOG supports and collaborates with SCAG on a variety of different regional planning activities that impact Western Riverside County.

2016 RTP/SCS: SCAG is currently developing its 2016-2040 Regional Transportation Plan / Sustainable Communities Strategy (2016 RTP/SCS), a long-range visioning plan that balances future mobility and housing needs with economic, environmental and public health goals. The RTP/SCS is updated every four years and embodies a collective vision for the region's future and is developed with input from local governments, county transportation commissions (CTCs), tribal governments, non-profit organizations, and businesses and local stakeholders within the SCAG region. The 2016 RTP/SCS contains over 2,000 transportation projects, ranging from freeway improvements, railroad grade separations, bicycle lanes, new transit hubs, and replacement bridges. These future investments were included in county plans developed by the six CTCs and seek to reduce traffic bottlenecks, improve the efficiency of the region's network, and expand mobility choices for everyone. As part of the RTP/SCS update process, regional growth forecasts for each of the six counties are also prepared. Projections of growth in socioeconomic datasets (i.e., population, household, and employment) are presented in the RTP/SCS at the jurisdictional level to help guide future transportation and land use decisions. WRCOG staff participates on SCAG's Technical Working Group (TWG) which meets monthly to discuss technical matters as they relate to development of regional plans, including the RTP/SCS.

The RTP/SCS is an important planning document for the region, allowing project sponsors to qualify for federal funding. SCAG's plan takes into account operations and maintenance costs, to ensure reliability, longevity and cost effectiveness. In addition, the 2016 RTP/SCS will be supported by a combination of transportation and land use strategies that will help the region achieve the State's greenhouse gas (GHG) emissions reduction goals and federal Clean Air Act requirements, preserve open space areas, improve public health and roadway safety, support our vital goods movement industry, and utilize resources more efficiently. For more information, SCAG has prepared a video on the 2016 RTP/SCS that can be viewed online at <https://vimeo.com/127764574>, or visit the designated RTP/SCS website at www.scagrtpscs.net. The plan is scheduled for adoption by the SCAG Regional Council in April 2016.

Cap-and-Trade Greenhouse Gas Reduction Fund (GGRF) and Affordable Housing & Sustainable Communities (AHSC) Program: SCAG is tracking implementation of the State's GGRF and AHSC Program. Under the Global Warming Solutions Act of 2006 (AB 32), the State is required to reduce its GHG emissions to 1990 levels by the year 2020. In order to reach this 2020 target, the California Air Resources Board (CARB) initiated a GHG Cap-and-Trade Program in 2012. Cap-and-Trade is a market-based regulation that is designed to reduce GHGs from multiple sources. The Program sets a firm limit, or "cap," on GHG emissions, and the ability to trade GHG emissions "credits" creates incentives to reduce GHG emissions below allowable levels through investments in clean technologies. Cap-and-Trade pollution fees form a substantial revenue stream; \$832 million were available in Fiscal Year (FY) 2014-2015, more than doubling to \$2.2 billion in FY 2015-2016. These revenue increases can be attributed to an expansion of the cap-and-trade program to cover not only electric utilities and large industrial facilities, but also fuel distributors. The AHSC Program is one of many funding opportunities made available with Cap-and-Trade revenue, and is in the form of a statewide competitive program to provide grants and loans for affordable housing, infill and compact transit-oriented development, and infrastructure connecting these projects to transit. The Strategic Growth Council (SGC) and Department of Housing and Community Development (HCD) administer the Program. SCAG is developing an "Action Plan" to work with its members to collectively strengthen the competitiveness of future applications for AHSC funding from Southern California.

Sustainability Planning Grant Program: SCAG's Sustainability Planning Grant Program (formerly known as Compass Blueprint Grant Program) was established as an innovative vehicle for promoting local jurisdictional efforts to test local planning tools. Since starting in 2005, 133 projects have been completed through the Program, with another 69 projects to be completed by the end of 2016. By supporting exemplary projects, the Sustainability Planning Grants Program illustrates the value effective growth planning can bring to our regional partners and the region as a whole. Sustainability Planning Grants provide direct technical assistance to member jurisdictions to complete planning and policy efforts that enable implementation of the regional SCS. Grants are available in the following three categories:

- Integrated Land Use – Sustainable Land Use Planning, Transit Oriented Development (TOD), and Land Use & Transportation Integration
- Active Transportation – Bicycle, Pedestrian, and Safe Routes to School Plans
- Green Region – Natural Resource Plans, Climate Action Plans (CAPs) and Greenhouse Gas (GHG) Reduction programs

WRCOG has initiated work on two SCAG Sustainability Grant funded projects: the Subregional CAP and Public Health Implementation project, and Integrated Transportation, Land Use, and Water Quality Financing.

As future grant funding becomes available through this Program, WRCOG will make its member jurisdictions aware of application materials and deadlines. More information is available at <http://sustain.scag.ca.gov/Pages/Grants%20and%20Local%20Assistance/GrantsLocalAssistance.aspx>.

Southern California Active Transportation Safety and Encouragement Campaign: In August 2014, SCAG was awarded a grant from the statewide competitive portion of the 2014 Active Transportation Program to initiate the Southern California Active Transportation Safety and Encouragement Campaign (Campaign). The Campaign is expected to be launched at the end of September and will include advertising and community events components throughout the six-county region.

Upcoming Events & Meetings

The following SCAG activities, meetings, and events may be of interest to WRCOG members. For SCAG's complete calendar of events, please visit <http://www.scag.ca.gov/calendar/Pages/Home.aspx>.

October 8, 2015: SCAG Regional Council & Policy Committee Meetings, 10:00 a.m. to 2:15 p.m., SCAG Main Office, 818 W. 7th Street, 12th Floor, Los Angeles, CA.

October 13, 2015: SCAG Toolbox Tuesdays: Beyond the Drought: Innovative Practices for Water Conservation and Stormwater Management, 10:00 a.m. to 12:00 p.m., SCAG Main Office with videoconferencing available at Regional Offices.

October 15, 2015: SCAG Technical Working Group, 10:00 a.m. to 12:00 p.m., SCAG Main Office with videoconferencing available at Regional Offices.

October 20, 2015: SCAG Legislative / Communications and Membership Committee, 8:30 a.m. to 10:00 a.m., SCAG Main Office with videoconferencing available at Regional Offices.

October 27, 2015: Transportation Conformity Working Group, 10:00 a.m. to 12:00 p.m., SCAG Main Office, 818 W. 7th Street, 12th Floor, Los Angeles, CA.

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

None.

Attachment:

1. Western Riverside County Representatives to SCAG.

Page Intentionally Left Blank

Item 5.F

SCAG Activities Update

Attachment 1

Western Riverside County Representatives to SCAG

Page Intentionally Left Blank



Western Riverside Council of Governments

WRCOG-Subregion Representatives on SCAG Policy Committees (5/4/15)

Western Riverside County has a total of fourteen representatives on the Policy Committees as follows: six District Regional Council representatives, six WRCOG appointments, one County of Riverside representative and one RCTC representative (to Transportation Committee).

Transportation Committee (10 members currently)

Regional Council Members

Jim Hyatt (Calimesa)
Karen Spiegel (Corona)
Clint Lorimore (Eastvale)
Jeffrey Giba (Moreno Valley)
Rusty Bailey (Riverside)
Chuck Washington (County)
Randon Lane (Murrieta)

WRCOG Appointee

Linda Krupa (Hemet)
Ben Benoit (Wildomar)

RCTC Appointee

Jan Harnik (Palm Desert)

Energy and Environment Committee (3 members currently)

Regional Council Members

None at this time

WRCOG Appointees

Jordan Ehrenkranz (Canyon Lake)
Bonnie Wright (Hemet)
Mike Gardner (Riverside)

Community, Economic and Human Development Committee (1 member currently)

Regional Council Members

None at this time

WRCOG Appointee

Deborah Franklin (Banning)

Tribal Appointee

Charles Martin
(Morongo Band of Mission Indians)

SCAG Stipends:

Regional Council Member Stipend Summary:

1. \$120 stipend for SCAG-sponsored meetings (up to 6 meetings per month; 8 meetings for Officers). SCAG President may authorize two additional stipends.
2. Public Transit reimbursement or mileage reimbursement.
3. Parking is validated at SCAG downtown Los Angeles office.
4. Lodging reimbursement not to exceed \$150 + taxes with travel requirement 75 miles or more (one-way) to attend SCAG meeting at SCAG Office in Los Angeles – must make own travel arrangements and submit receipts. The SCAG President is authorized to approve higher lodging costs if government rate not available and reservation is made two weeks in advance.

SCAG Subregional Representative Stipend Summary:

1. \$120 stipend for SCAG-sponsored meetings (up to 4 meetings per month).
2. Lodging reimbursement not to exceed \$150 + taxes with travel requirement 75 miles or more (one-way) to attend SCAG meeting at SCAG Office in Los Angeles – must make own travel arrangements and submit receipts. The SCAG President is authorized to approve higher lodging costs if government rate not available and reservation is made two weeks in advance.

Page Intentionally Left Blank



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: South Coast Air Quality Management District Activities Update

Contact: Ruthanne Taylor Berger, Deputy Executive Director, berger@wrcog.cog.ca.us, (951) 955-8304

Date: October 5, 2015

Requested Action:

1. Receive and file.
-

The South Coast Air Quality Management District (SCAQMD) is the agency responsible regulating stationary sources for the South Coast Air Basin (SCAB) which includes the non-desert portions of the Counties of Los Angeles, Riverside, and San Bernardino, and all of Orange County. The SCAQMD is also required to prepare the Air Quality Management Plan (AQMP) which demonstrates, through emission reduction measures, how the SCAB will attain the federal National Ambient Air Quality Standards (NAAQS) by the target dates listed in the federal Clean Air Act. As part of the implementation of the AQMP the SCAQMD develops rules to achieve the emission reduction measures identified in the AQMP. City of Wildomar Mayor Ben Benoit is the Riverside Cities Representative / Governing Board Member to the SCAQMD, and WRCOG staff participates in SCAQMD's activities to keep member jurisdictions apprised of important air quality issues and relevant activities.

2016 Air Quality Management Plan (AQMP)

The SCAQMD is the agency responsible for the development and implementation of the AQMP for the South Coast Air Basin (SCAB) which includes the non-desert portions of the Counties of Los Angeles, Riverside, and San Bernardino, and all of Orange County. The AQMP is required to demonstrate, through emission reduction strategies, how the SCAB will attain the federal National Ambient Air Quality Standards (NAAQS) by the target dates listed in the federal Clean Air Act. The AQMP preparation requires coordination with several agencies and regulators; SCAQMD regulates stationary sources and the California Air Resources Board (CARB) regulates mobile sources, and the Southern California Association of Governments (SCAG) prepares and provides the mobile source measures for inclusion in the AQMP.

The 2016 AQMP will need to demonstrate attainment for two 8-hour Ozone standards (80 ppb by 2024 and 75 ppb by 2032), the 1-hour Ozone standard (120ppb by 2023), two Particulate Matter 2.5 (PM2.5) standards, and the Annual PM2.5 (12 micro gram/cubic meter by 2021-2025 and the 24-hour standard (35 micrograms/cubic meter).

A critical component of the 2016 AQMP is to reduce the precursors to the formation of ozone and PM2.5, such as oxides of Nitrogen (NOx) and volatile organic compounds (VOC). Preliminary modelling results show the most effective way to meet the NAAQS is to significantly reduce NOx emissions, which is primarily a mobile source issue.

The current AQMP schedule is as follows:

- Draft AQMP release: October 2015
- Draft Socioeconomic Analysis: November 2015
- Draft EIR release: December 2015 / January 2016
- Regional Public Hearing: February 2016
- Final Draft: March 2016
- Governing Board approval: April 2016
- CARB approval: May / June 2016
- EPA submittal deadline: July 20, 2016

Proposed and amended Rule making

The SCAQMD is continually reevaluating current rules and developing new ones as better information becomes available to reduce emissions.

Proposed Amended Rule (PAR) 1420.2 Emission Standards for Lead from Metal Melting Facilities: SCAQMD staff is proposing an initial ambient air lead concentration limit of 0.150 µg/m³, averaged over any consecutive 30 days, which will be lowered to a final limit of 0.100 µg/m³ by 2018. The proposed rule also establishes requirements for enclosures, point source lead emission limits, source testing, ambient air monitoring, housekeeping and maintenance activities, and submittal and implementation of a Compliance Plan if the facility exceeds ambient air lead concentration limits set forth in the rule.

There were thirteen facilities impacted by the rule including U.S. Battery in Corona and Gerdau in Ontario. SCAQMD staff has met with all thirteen facilities and resolved all of the major issues with the rule. This rule is scheduled to be heard at the October 2, 2015, Governing Board hearing in Los Angeles.

Proposed Amended Rule 1156 Further Emission Reductions from Cement manufacturing Facilities: This item is scheduled to be heard by the Governing Board on November 6, 2015.

The proposed amendment seeks to minimize hexavalent chromium (Cr+6) emissions and risk from cement manufacturing operations and the property after facility closure while streamlining Cr+6 ambient monitoring. Additionally, the proposed amendments include a proposed modification to the fence-line ambient Cr+6 threshold to reflect changes made by the Office of Environmental Health Hazard Assessment to risk assessment guidelines, as well as proposing minor revisions.

There are two facilities in Riverside that are impacted by the proposed rule:

- Riverside Cement – does not support the rule and has challenged the SCAQMD's authority to promulgate the rule and amendments. The issues range from already adequate SCAQMD rules, future owners, monitoring to forced closure. SCAQMD staff has been meeting with Riverside Cement and some progress has been made.
- Portland Cement – supports the rule.

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

None.

Attachment:

1. 2016 Air Quality Management Plan Summary.

Item 5.G

**South Coast Air Quality Management
District Activities Update**

Attachment 1

**2016 Air Quality Management Plan
Summary**

Page Intentionally Left Blank

2016 Air Quality Management Plan

The South Coast Air Quality Management District (SCAQMD) is responsible for clean air planning in the South Coast Air Basin (Basin), an area that includes Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties. While air quality has dramatically improved over the years, the Basin still exceeds federal public health standards for both ozone and particulate matter (PM) and experiences some of the worst air pollution in the nation.

The federal Clean Air Act (CAA) requires areas that are not attaining National Ambient Air Quality Standards (NAAQS) to develop and implement an emission reduction strategy that will bring the area into attainment in a timely manner. This strategy and the underlying technical analyses are integrated into Air Quality Management Plans (AQMPs) for the region. The SCAQMD, with contributions from the California Air Resources Board (CARB) and Southern California Association of Governments (SCAG), has developed four AQMPs since the late 1990's to address updates to air quality standards and attainment deadlines.

The upcoming 2016 AQMP will develop integrated strategies and measures to meet the following NAAQS:

- ❑ 8-hour Ozone (75 ppb) by 2032
- ❑ Annual PM_{2.5} (12 $\mu\text{g}/\text{m}^3$) by 2021-2025
- ❑ 8-hour Ozone (80 ppb) by 2024 (updated from the 2007 and 2012 AQMPs)
- ❑ 1-hour Ozone (120 ppb) by 2023 (updated from the 2012 AQMP)
- ❑ 24-hour PM_{2.5} (35 $\mu\text{g}/\text{m}^3$) by 2019 (updated from the 2012 AQMP)

The 2016 AQMP will also take an initial look at a recently proposed new federal 8-hour ozone standard (in the 65-70 ppb range), as well as incorporate energy, transportation, goods movement, infrastructure and other planning efforts that affect future air quality.

Key Challenges

Given the urgent need for significant emissions reductions in a short timeframe, the 2016 AQMP will include swift actions to ensure that rapidly approaching attainment deadlines are met, that the public health is protected to the maximum extent feasible, and that the region is not faced with economically onerous sanctions if the NAAQS are not met. As with every AQMP, a comprehensive analysis of emissions, meteorology, atmospheric chemistry, regional growth projections, and the impact of existing control measures is updated with the latest data and methods. The result is targeted level of emissions in the Basin that would allow attainment of the NAAQS. The most significant air quality challenge in the Basin is to reduce oxides of Nitrogen (NO_x) emissions sufficiently to meet the upcoming ozone standard deadlines. Based on preliminary analyses, the approximately 580* tons per day (tpd) of total Basin NO_x emissions are projected to drop to approximately 300* tpd and 250* tpd in the attainment years of 2023 and 2031 respectively, due to continued implementation of already adopted control measures.



However, in the absence of additional action, these emissions reductions are not sufficient to meet the ozone standards. Preliminary analysis suggests that total Basin emissions of NO_x must be reduced to approximately 150* tpd in 2023 and 100* tpd in 2031 to attain the ozone standards. This represents an additional **50%* reduction in NO_x by 2023**, and an additional **15%* NO_x reduction beyond 2023 levels by 2031**.

*Based on Preliminary 2016 AQMP analysis; subject to change

The primary challenge is that mobile sources currently contribute about 88% of the region's total NO_x emissions, and SCAQMD has limited authority to regulate mobile sources. SCAQMD is working closely with the California Air Resources Board and U.S. EPA, which have primary authority over mobile sources to ensure mobile sources do their fair share of pollution reduction.

Since NO_x emissions also lead to the formation of PM_{2.5}, the NO_x reductions needed to meet the ozone standards will lead to significant improvements in PM_{2.5} levels. The 2016 AQMP will include PM_{2.5} control strategies as needed to ensure that the PM_{2.5} NAAQS will also be met on time.

Plan Objectives

To ensure air quality goals will be met while minimizing impacts to the regional economy, the following policy objectives will guide the development of the plan:

- ☐ Eliminate reliance on "black box" (*future technologies*) to the maximum extent possible by providing specific pathways to attainment with specific control measures
- ☐ Calculate and take credit for co-benefits from other planning efforts (e.g., GHG reduction targets, energy efficiency, transportation)
- ☐ Develop a strategy with fair-share emission reductions at the federal, state, & local levels such as a new federal engine emission standards and/or additional authority provided to the state or SCAQMD for mobile sources
- ☐ Seek significant funding for incentives to implement early deployment and commercialization of known zero and near-zero technologies.
- ☐ Invest in strategies and technologies meeting multiple objectives regarding air quality, climate change, air toxic exposure, energy, and transportation
- ☐ Enhance the socioeconomic analysis and select the most efficient and cost-effective path to achieve multi-pollutant and multi-deadline targets
- ☐ Prioritize non-regulatory, innovative and "win-win" approaches for emission reductions

Public Participation

The SCAQMD will implement an extensive outreach program to disseminate information and receive feedback on the 2016 AQMP, and there are many ways to participate in the Plan development process. The AQMP Advisory Group (<http://www.aqmd.gov/home/about/groups-committees/aqmp-advisory-group>), comprised businesses, environmental groups, local governments and academia, meets periodically with all meetings are open to the public. Also, White Papers have been prepared with stakeholder input (<http://www.aqmd.gov/home/about/groups-committees/aqmp-advisory-group/2016-aqmp-white-papers>) that will help provide a policy framework as the 2016 AQMP is developed. Comments, suggestions or inquires regarding the 2016 AQMP can be made via email (aqmp@aqmd.gov).

Schedule

- Fall/Winter 2015 – draft AQMP development
- Winter 2015- release draft AQMP, draft Environmental Impact Report, and Socioeconomic Report
- Spring 2016 -- conduct Public Workshops, Hearings and continue outreach
- April 2016 -- SCAQMD Governing Board considers adoption of the 2016 AQMP
- June 2016 -- CARB action on SCAQMD State Implementation Plan
- July 2016 – Plan submittal to EPA

For more information regarding 2016 AQMP development, please contact Michael Krause at mkrause@aqmd.gov or 909.396.2706





Western Riverside Council of Governments Executive Committee

Staff Report

Subject: HERO Program Activities Update

Contact: Barbara Spoonhour, Director of Energy and Environmental Programs,
spoonhour@wrcog.cog.ca.us, (951) 955-8313

Date: October 5, 2015

Requested Actions:

1. Receive summary of the Revised California HERO Program Report.
 2. Conduct a Public Hearing Regarding the Inclusion of the Cities of Chula Vista, Fairfax, Larkspur, Mission Viejo, Rohnert Park, Salinas, Santa Cruz, and Trinidad, and the Counties of Marin and Tehama unincorporated areas, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional cities and to hear all interested persons that may appear to support or object to, or inquire about the Program.
 3. Adopt WRCOG Resolution Number 33-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered.
 4. Continue the Public Hearing Regarding the Inclusion of the Cities of Arcata, Chowchilla, Oakland, San Rafael, and Tiburon until November 2, 2015.
 5. Accept the Cities of Camarillo, Millbrae, Mountain View, Novato, and Union City, and the County of El Dorado unincorporated area, as Associate Members of the Western Riverside Council of Governments.
 6. Adopt WRCOG Resolution Number 34-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.
-

WRCOG's HERO Program provides financing to property owners to implement a range of energy saving, renewable energy, and water conserving improvements to their homes and businesses. Improvements must be permanently fixed to the property and must meet certain criteria to be eligible for financing. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and has been expanded (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate.

Overall HERO Program Activities Update

Residential: As of this writing, more than 59,430 homeowners in both the WRCOG and California HERO Programs have been approved to fund more than \$3.2 billion in eligible renewable energy, energy efficiency and water efficiency projects.

WRCOG Subregion: More than 26,347 property owners located in Western Riverside County have been approved for funding through the WRCOG HERO Program, totaling over \$1.05 billion. Nearly 16,000 projects, totaling over \$300 million, have been completed in Western Riverside County. (Attachment 1 includes more specific subregional data.)

Statewide: More than 33,000 applications have been approved for the California HERO Program to fund over \$2.1 billion in eligible renewable energy, energy efficiency and water efficiency projects. 16,000 projects have been completed, totaling over \$348 million.

The table below provides a summary of the total estimated economic and environmental impacts for projects completed in both Programs to date:

Economic and Environmental Impacts Calculations	
KW Hours Saved – Annually	252 GWh
GHG Reductions – Annually	66,700 Tons
\$ Saved – Annually	\$39 Million
Projected Annual Economic Impact	\$1.1 Billion
Projected Annual Job Creation	5,509 Jobs

Commercial: The commercial side of the HERO Program continues to accept and process new applications from commercial property owners. To date, there have been 19 projects completed, totaling over \$2.1 million, with an additional 9 projects, totaling over \$4.9 million, in the construction phase that should be completed / funded within the next 90 days. Overall, there are currently 60 additional applications requesting over \$15.6 million in financing that are either waiting for lender acknowledgement or their application is in the underwriting process.

Public Hearing and Related Resolution: On June 3, 2013, the WRCOG Executive Committee, acting in accordance with Chapter 29 of the Part 3, Division 7 of the Streets and Highways Code (“Chapter 29”), conducted a public hearing to consider formally establishing the Program. At the conclusion of the public hearing the Executive Committee adopted its Resolution Number 10-13 confirming the Program Report for the Program and establishing the Program.

Recently, the Cities of Millbrae, Mountain View, Novato, Union City, and the County of El Dorado unincorporated, took action to become Associate Members of WRCOG, thereby enabling the Executive Committee to undertake proceedings to increase the area within which voluntary contractual assessments may be offered pursuant to the Program (the “Program Area”) to include the jurisdictions of such Associate Members.

On September 14, 2015, the Executive Committee adopted its Resolution Number 32-15 setting a public hearing to be held on October 5, 2015, as required pursuant to Chapter 29, to consider the modification of the Program Report to increase the Program Area to include the jurisdictional boundaries of such additional Associate Members.

For the October 5, 2015, Executive Committee meeting, staff is bringing forward the revised Appendix B “Boundary Map” from the Program Report for consideration and potential approval; the Executive Committee will hold a public hearing to consider increasing the Program Area to include all of the aforementioned Associate Members and, following the closing of the public hearing, will be asked to consider the adoption of WRCOG Resolution Number 33-15 (Attachment 2), approving the revised Appendix B “Boundary Map” from the Program Report (Attachments 3).

California HERO Program Report: The Revised Program Report Boundary Map reflects the addition of the Cities of Chula Vista, Fairfax, Larkspur, Mission Viejo, Rohnert Park, Salinas, Santa Cruz, and Trinidad, and the Counties of Marin and Tehama unincorporated areas, into the Program Area.

The Public Hearing regarding the inclusion of the Cities of Arcata, Chowchilla, Oakland, San Rafael, and Tiburon needs to be continued to the November 2, 2015, Executive Committee meeting.

New Associate Members: The following jurisdictions have adopted or will be adopting resolutions consenting to the inclusion of such city in the California HERO Program and approving the "Amendment to Joint Powers Agreement Adding the City/County of XXX as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City" (the "JPA Amendment"), by and between Authority and such City/County to as an Associate Member of WRCOG for the purposes of implementing the California HERO Program prior to the October 5, 2015, Executive Committee meeting.

Mountain View – September 15, 2015

Novato – September 15, 2015

El Dorado County unincorporated – September 22, 2015

Millbrae – September 22, 2015

Union City – September 22, 2015

Camarillo – September 23, 2015

The next step in the California HERO Program is for the Executive Committee to accept the above mentioned Cities and County as Associate Members of WRCOG for the purposes of participating in the Program and approve the execution of the Joint Powers Agreement Amendment for each such City and County and set their public hearing for November 2, 2015.

At the November 2, 2015, Executive Committee meeting, staff will bring forward the revised Appendix B "Boundary Map" from Program Report for consideration and potential approval; the Executive Committee will hold the Program's required public hearing and, following the closing of the public hearing, will be asked to consider the adoption of a WRCOG resolution approving the revised Appendix B "Boundary Map" from the Program Report.

Prior WRCOG Actions:

September 17, 2015: The WRCOG Technical Advisory Committee received report.

September 9, 2015: The WRCOG Administration & Finance Committee recommended that 1) the WRCOG Executive Committee review, on annual basis, the number and amount of delinquencies and determine the assignment of collection rights, or to begin the judicial foreclosure process; and 2) request that member jurisdictions commit to HERO as the sole PACE Program for the WRCOG subregion; however, if a member jurisdiction elects to move forward with other PACE providers, it should closely examine and compare a number of factors between HERO and other Programs, including local government oversight and accountability, consumer protections and contractor requirements, and adherence to Dodd-Frank and Government Finance Officers Association recommendations.

WRCOG Fiscal Impact:

None.

Attachments:

1. HERO Program Summary Update.
2. WRCOG Resolution Number 33-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered.
3. Appendix B of the California HERO Program Report Revised October 5, 2015.
4. WRCOG Resolution Number 34-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring its Intention to Modify the California HERO Program Report so as to Increase the Program Area within which Contractual Assessments may be offered and Setting a Public Hearing Thereon.

Page Intentionally Left Blank

Item 6.A

HERO Program Activities Update

Attachment 1

HERO Program Summary Update

Page Intentionally Left Blank

HERO Program Summary Update

(Launch through 09/23/15)

City	Approved Apps	Approved Amount
Banning	342	\$8,410,876
Calimesa	117	\$3,999,471
Canyon Lake	430	\$21,452,046
Corona	2,203	\$111,564,080
County	4,276	\$197,47,593
Eastvale	617	\$36,348,604
Hemet	764	\$17,527,128
Jurupa Valley	1,433	\$52,023,281
Lake Elsinore	901	\$30,742,511
Menifee	1,732	\$55,202,241
Moreno Valley	3,224	\$97,924,729
Murrieta	1,951	\$84,83,949
Norco	559	\$30,161,011
Perris	593	\$16,370,582
Riverside	4,278	\$166,879,129
San Jacinto	493	\$12,831,172
Temecula	1,797	\$857,099,773
Wildomar	637	\$22,356,17
	26,347	\$1,053,176,347

Page Intentionally Left Blank

Item 6.A

HERO Program Activities Update

Attachment 2

WRCOG Resolution Number 33-15;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Confirming
Modification of the California HERO
Program Report so as to expand the
Program Area within which
Contractual Assessments may be
offered

Page Intentionally Left Blank



RESOLUTION NUMBER 33-15

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS CONFIRMING MODIFICATION OF THE CALIFORNIA HERO PROGRAM REPORT SO AS TO EXPAND THE PROGRAM AREA WITHIN WHICH CONTRACTUAL ASSESSMENTS MAY BE OFFERED

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously undertook proceedings pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29") to permit the provision of property assessed clean energy (PACE) services within those cities that had taken action to become Associate Members of WRCOG as of the date of the initiation of such proceedings, ordered the preparation of a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29, held a public hearing on June 3, 2013, on the proposed PACE program and the Program Report and did, by the adoption of its Resolution Number 10-13 on such date (the "Resolution Confirming the Program Report") following such public hearing, approve and establish and order the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of such Associate Members with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, in approving the Program Report, the Executive Committee also established the jurisdictional boundaries of such Associate Members as the initial territory within which voluntary contractual assessments may be offered (the "Program Area") to provide for financing of the installation of Authorized Improvements on properties within such Program Area; and

WHEREAS, subsequent to the establishment of the Program, the Executive Committee has undertaken proceedings pursuant to Chapter 29 to expand the Program Area within which contractual assessments may be offered to include the jurisdictions of certain counties and additional cities that had taken action to become Associate Members of WRCOG since the establishment of the Program; and

WHEREAS, now the legislative bodies of the Cities of Chula Vista, Fairfax, Larkspur, Mission Viejo, Rohnert Park, Salinas, Santa Cruz, and Trinidad, and the Counties of Marin and Tehama unincorporated areas, have taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider further modifying the Program Report by increasing the Program Area to include the jurisdictions of such new Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee did, by the adoption of its Resolution Number 32-15 (the "Resolution of Intention"), initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the Cities of Chula Vista, Fairfax, Larkspur, Mission Viejo, Rohnert Park, Salinas, Santa Cruz, and Trinidad, and the Counties of Marin and Tehama unincorporated areas, ordered a public hearing to be held on October 5, 2015, for the purposes of affording all persons who are present an opportunity to comment upon, object to, or present evidence with regard to such proposed modification of the Program Report; and

WHEREAS, in approving the Resolution Confirming the Program Report, the Executive Committee also is continuing the public hearing as to the implementation of the Program within the jurisdictional boundaries of the Cities of Arcata, Chowchilla, Oakland, San Rafael, and Tiburon until November 2, 2015; and

WHEREAS, as required by Section 5898.24 of Chapter 29 and the Resolution of Intention, the Secretary of the Executive Committee caused publication of notice of public hearing for the purpose of allowing interested persons to comment upon, object to or inquire about the proposed modification of the Program Report; and

WHEREAS, on this date, the Executive Committee held the duly noticed public hearing as required by Chapter 29, at which the proposed modification of the Program Report so as to modify the Program Area to include the Cities of Chula Vista, Fairfax, Larkspur, Mission Viejo, Rohnert Park, Salinas, Santa Cruz, and Trinidad, and the Counties of Marin and Tehama unincorporated areas, was summarized and all persons who were present were given an opportunity to comment upon, object to, or present evidence with regard to the proposed modification of the Program Report.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. Recitals. The above recitals are true and correct.

Section 2. Confirmation of Modification of the Program Report. The modification of the Program Report so as to modify the Program Area to include the Cities of Chula Vista, Fairfax, Larkspur, Mission Viejo, Rohnert Park, Salinas, Santa Cruz, and Trinidad, and the Counties of Marin and Tehama unincorporated areas, in the California HERO Program is hereby approved and confirmed.

Section 3. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on October 5, 2015.

Brian Tisdale, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Steven DeBaun
WRCOG Legal Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____

Item 6.A

HERO Program Activities Update

Attachment 3

Appendix B of the California
HERO Program Report Revised
October 5, 2015

Page Intentionally Left Blank



PROGRAM REPORT

CITIES OF ALBANY, ALHAMBRA, ALISO VIEJO, AMERICAN CANYON, ANAHEIM, ANTIOCH, ARCADIA, ARVIN, ATWATER, AVALON, AZUSA, BAKERSFIELD, BALDWIN PARK, BEAUMONT, BELL GARDENS (COMMERCIAL ONLY), BELLFLOWER, BENICIA, BERKLEY, BLYTHE, BRADBURY, BRAWLEY, BREA, BRENTWOOD, BUENA PARK, BURLINGAME, CALABASAS (COMMERCIAL ONLY), CALIFORNIA CITY, CALIPATRIA, CALEXICO, CALISTOGA, CAPITOLA, CARLSBAD, CARMEL, CARSON, CATHEDRAL CITY, CERES, CHULA VISTA, CITRUS HEIGHTS, CLAREMONT, CLAYTON, CLOVIS, COACHELLA, COALINGA, CONCORD, COMMERCE, CORONADO, COSTA MESA, COVERDALE, COVINA, CYPRESS, DALY CITY, DANVILLE, DAVIS, DEL MAR, DEL REY OAKS, DELANO, DESERT HOT SPRINGS, DIAMOND BAR, DIXON, EL CAJON, EL CENTRO, EL CERRITO, ELK GROVE, EL MONTE, EL SEGUNDO, ENCINITAS, ESCONDIDO, EUREKA, FAIRFAX, FAIRFIELD, FILLMORE, FIREBAUGH, FOSTER, FOUNTAIN VALLEY, FOWLER, FRESNO, GALT, GARDEN GROVE, GARDENA, GILROY, GLENDORA, HANFORD, HAWTHORNE, HAYWARD, HEALDSBURG, HERMOSA BEACH, HOLTVILLE, HUGHSON, HUNTINGTON BEACH, HURON, IMPERIAL, IMPERIAL BEACH, INDIAN WELLS, INDIO, INDUSTRY, INGLEWOOD, IRVINDALE, KERMAN, KINGSBURG, LA CANADA FLINTRIDGE, LA HABRA, LA MESA, LA PALMA, LA QUINTA, LARKSPUR, LA VERNE, LAFAYETTE, LAGUNA BEACH, LAGUNA HILLS, LAKE FOREST, LANCASTER, LAWDALE, LEMON GROVE, LEMOORE, LIVINGSTON, LODI, LOMITA, LOMPOC, LONG BEACH (COMMERCIAL ONLY), LOS BANOS, MADERA, MALIBU, MAMMOTH LAKES, MANTECA, MARTINEZ, MCFARLAND, MENLO PARK, MERCED, MISSION VIEJO, MODESTO, MONROVIA, MONTEBELLO, MONTEREY PARK, MORGAN HILL, NATIONAL, NEWMAN, NEWPORT BEACH, OAKDALE, OAKLEY, OCEANSIDE, OJAI, OXNARD, PACIFIC GROVE, PALM DESERT, PALM SPRINGS, PALMDALE, PARLIER, PATTERSON, PITTSBURG, PLACENTIA, PLACERVILLE, PLEASANT HILL, POMONA, PORT HUENEME, PORTERVILLE, POWAY, RANCHO CORDOVA, RANCHO MIRAGE, RANCHO PALOS VERDES, RANCHO SANTA MARGARITA, REEDLEY, REDONDO BEACH, REDWOOD CITY, RIO VISTA, RICHMOND, RIDGECREST, RIPON, RIVERBANK, ROHNERT PARK, ROLLING HILLS, ROLLING HILLS ESTATES, ROSEMEAD, SALINAS, SAN ANSELMO, SAN BRUNO, SAN BUENAVENTURA, SAN CARLOS, SAN CLEMENTE, SAN DIMAS, SAN FERNANDO, SAN GABRIEL, SAN DIEGO, SAN JOSE, SAN MARCOS, SAN MARINO, SAN MATEO, SAN PABLO, SAN RAMON, SANGER, SANTA ANA, SANTA CRUZ, SANTA MONICA, SANTA PAULA, SANTEE, SCOTTS VALLEY, SEASIDE, SEBASTOPOL, SELMA, SHAFTER, SIERRA MADRE, SIMI VALLEY, SOLANO BEACH, SONOMA, SOUTH EL MONTE, SOUTH LAKE TAHOE, SOUTH PASADENA, SOUTH SAN FRANCISCO, ST. HELENA, STANTON, STOCKTON, SUISUN CITY, TAFT, TEHACHAPI, TEMPLE CITY, TORRANCE, TRACY, TRINIDAD, TULARE, TURLOCK, TUSTIN, VACAVILLE, VALLEJO, VISALIA, VISTA, WALNUT CREEK, WASCO, WATERFORD, WEST COVINA, WEST SACRAMENTO, WESTMINSTER, WINDSOR, WINTERS, WOODLAND, WOODSIDE, YORBA LINDA, YOUNTVILLE, CITY/COUNTY OF SAN FRANCISCO, AND THE UNINCORPORATED COUNTIES OF ALAMEDA, DEL NORTE, FRESNO, HUMBOLDT, IMPERIAL, KERN, MADERA, MARIN, MERCED, MONO, MONTEREY, NAPA, RIVERSIDE, SACRAMENTO, SAN DIEGO, SAN MATEO, SANTA CRUZ, SOLANO, SONOMA, TEHAMA, AND YOLO.

ADOPTED JUNE 3, 2013 - REVISED JULY 15, 2013 - REVISED AUGUST 5, 2013 - REVISED SEPTEMBER 9, 2013 - REVISED NOVEMBER 4, 2013 - REVISED DECEMBER 2, 2013 - REVISED JANUARY 6, 2014
REVISED FEBRUARY 3, 2014 - REVISED MARCH 3, 2014 - REVISED APRIL 7, 2014 - REVISED MAY 5, 2014 - REVISED JUNE 2, 2014
- AMENDED JUNE 9, 2014 - REVISED JULY 7, 2014 - REVISED AUGUST 4, 2014
REVISED SEPTEMBER 8, 2014 - REVISED OCTOBER 6, 2014 - REVISED NOVEMBER 3, 2014
REVISED DECEMBER 1, 2014 - REVISED JANUARY 5, 2015 - REVISED FEBRUARY 2, 2015
REVISED MARCH 2, 2015 - REVISED APRIL 6, 2015 - REVISED MAY 4, 2015 - REVISED JUNE 1, 2015 - REVISED JULY 6, 2015 -
REVISED AUGUST 3, 2015 - REVISED SEPTEMBER 14, 2015 - REVISED OCTOBER 5, 2015

TABLE OF CONTENTS

I.	PROGRAM INTRODUCTION	3
	Purpose of the California HERO Program	3
	HERO Financing	4
	Purpose of the Program Report	4
II.	RESIDENTIAL AND COMMERCIAL PROGRAM REQUIREMENTS	5
	Eligible Property Owners and Eligible Properties	5
	Eligible Products, Contractors and Costs	5
III.	APPEAL PROCESS	8
IV.	TRACKS FOR PARTICIPATION	8
V.	PROGRAM PARAMETERS	9
	Minimum Energy Financing Amount and Duration of Assessment	9
	Maximum Portfolio	9
	Assessment Interest Rate	9
	Property Assessment Lien	9
	Delinquent Assessment Collections	9
VI.	THE FINANCIAL STRATEGIES	10
VII.	GLOSSARY OF TERMS	11

APPENDICES

APPENDIX A – ELIGIBLE PRODUCTS	15
APPENDIX B – MAP OF AREA	16
APPENDIX C - RESIDENTIAL PROPERTIES PROGRAM APPLICATION	46
APPENDIX D - COMMERCIAL PROPERTIES PROGRAM APPLICATION	55
APPENDIX E - DRAFT ASSESSMENT CONTRACTS	62
APPENDIX F - NOTICE OF ASSESSMENT (NOA)	70
APPENDIX G - PAYMENT OF CONTRACTUAL ASSESSMENT REQUIRED (PCAR)	84
APPENDIX H – COMBINED NOA AND PCAR	849

Appendix B
MAP OF PROGRAM AREA
(OCTOBER 5, 2015)

The territories within which voluntary contractual assessments are authorized to be offered pursuant to the California hero program are the jurisdictional boundaries of the Albany, Alhambra, Aliso Viejo, American Canyon, Anaheim, Antioch, Arcadia, Arvin, Atwater, Avalon, Azusa, Bakersfield, Baldwin Park, Beaumont, Bell Gardens (Commercial Only), Bellflower, Benicia, Berkley, Blythe, Bradbury, Brawley, Brea, Brentwood, Buena Park, Burlingame, Calabasas (Commercial Only), California City, Calipatria, Calexico, Calistoga, Capitola, Carlsbad, Carmel, Carson, Cathedral City, Ceres, Chula Vista, Citrus Heights, Claremont, Clayton, Clovis, Coachella, Coalinga, Concord, Commerce, Coronado, Costa Mesa, Coverdale, Covina, Cypress, Daly City, Danville, Davis, Del Mar, Del Rey Oaks, Delano, Desert Hot Springs, Diamond Bar, Dixon, El Cajon, El Centro, El Cerrito, Elk Grove, El Monte, El Segundo, Encinitas, Escondido, Eureka, Fairfax, Fairfield, Fillmore, Firebaugh, Foster, Fountain Valley, Fowler, Fresno, Galt, Garden Grove, Gardena, Gilroy, Glendora, Hanford, Hawthorne, Hayward, Healdsburg, Hermosa Beach, Holtville, Hughson, Huntington Beach, Huron, Imperial, Imperial Beach, Indian Wells, Indio, Industry, Inglewood, Irwindale, Kerman, Kingsburg, La Canada Flintridge, La Habra, La Mesa, La Palma, La Quinta, Larkspur, La Verne, Lafayette, Laguna Beach, Laguna Hills, Lake Forest, Lancaster, Lawndale, Lemon Grove, Lemoore, Livingston, Lodi, Lomita, Lompoc, Long Beach (Commercial Only), Los Banos, Madera, Malibu, Mammoth Lakes, Manteca, Martinez, McFarland, Menlo Park, Merced, Mission Viejo, Modesto, Monrovia, Montebello, Monterey Park, Morgan Hill, National, Newman, Newport Beach, Oakdale, Oakley, Oceanside, Ojai, Oxnard, Pacific Grove, Palm Desert, Palm Springs, Palmdale, Parlier, Patterson, Pittsburg, Placentia, Placerville, Pleasant Hill, Pomona, Port Hueneme, Porterville, Poway, Rancho Cordova, Rancho Mirage, Rancho Palos Verdes, Rancho Santa Margarita, Reedley, Redondo Beach, Redwood City, Rio Vista, Richmond, Ridgecrest, Ripon, Riverbank, Rolling Hills, Rolling Hills Estates, Rohnert Park, Rosemead, San Anselmo, San Bruno, San Buenaventura, San Carlos, San Clemente, San Dimas, San Fernando, San Gabriel, San Diego, San Jose, San Marcos, San Marino, Salinas, San Mateo, San Pablo, San Ramon, Sanger, Santa Ana, Santa Cruz, Santa Monica, Santa Paula, Santee, Scotts Valley, Seaside, Sebastopol, Selma, Shafter, Sierra Madre, Simi Valley, Solano Beach, Sonoma, South El Monte, South Lake Tahoe, South Pasadena, South San Francisco, St. Helena, Stanton, Stockton, Suisun City, Taft, Tehachapi, Temple City, Torrance, Tracy, Trinidad, Tulare, Turlock, Tustin, Vacaville, Vallejo, Visalia, Vista, Walnut Creek, Wasco, Waterford, West Covina, West Sacramento, Westminster, Windsor, Winters, Woodland, Woodside, Yorba Linda, Yountville, City/County of San Francisco, and the unincorporated counties of Alameda, Del Norte, Fresno, Humboldt, Imperial, Kern, Madera, Marin, Merced, Mono, Monterey, Napa, Riverside, Sacramento, San Diego, San Mateo, Santa Cruz, Solano, Sonoma, Tehama, and Yolo.

Cities of Albany, Berkeley, Hayward, and Alameda County Unincorporated located in Alameda County, California



Cities of Antioch, Brentwood, Clayton, Concord, Danville, Lafayette, Martinez, Oakley, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon, and Walnut Creek, located in Contra Costa County, California



County of Del Norte unincorporated area, located in Del Norte County, California



Cities of Placerville and South Lake Tahoe, located in El Dorado County, California



Cities of Clovis, Coalinga, Firebaugh, Fowler, Fresno, Kerman, Kingsburg, Parlier, Reedley, Sanger, Selma, and Fresno County unincorporated area, located in Fresno County, California



**Cities of Eureka and Trinidad and Humboldt County unincorporated area, located
in Humboldt County, California**



Cities of Brawley, Calexico, Calipatria, Holtville, Imperial, and El Centro, and Imperial County unincorporated, located in Imperial County, California



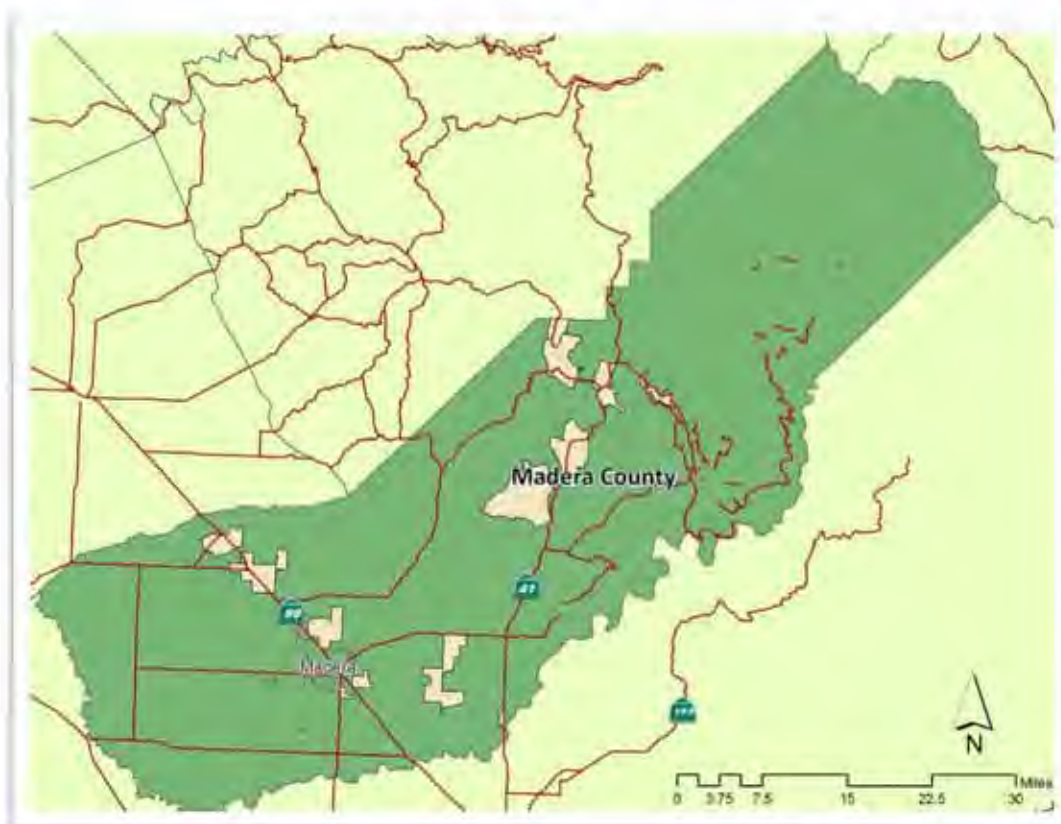
Cities of Arvin, Bakersfield, California City, Delano, McFarland, Ridgecrest, Shafter, Taft, Tehachapi, and Kern County unincorporated, located in Kern County, California



Cities of Hanford and Lemoore, located in Kings County, California



**City of Madera and Madera County unincorporated, located in Madera County,
California**



City of San Anselmo and County of Marin unincorporated located in Marin County, California



**Cities of Atwater, Livingston, Los Banos, Merced, and Merced County
unincorporated, located in Merced County, California**



Town of Mammoth Lakes and Mono County unincorporated, located in Mono County, California



**Cities of Carmel, Del Rey Oaks, Monterey, Salinas, Seaside, and Monterey County
unincorporated located in Monterey County, California**



Cities of American Canyon, Calistoga, St. Helena, Yountville, and the County of Napa unincorporated, located in Napa County, California



Cities of Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Garden Grove, Huntington Beach, La Palma, Laguna Beach, Laguna Hills, Lake Forest, Mission Viejo, Newport Beach, Placentia, Rancho Santa Margarita, San Clemente, Santa Ana, Stanton, Tustin, Westminster, and Yorba Linda, located in Orange County, California.



Cities of Beaumont, Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage located in Riverside County, California



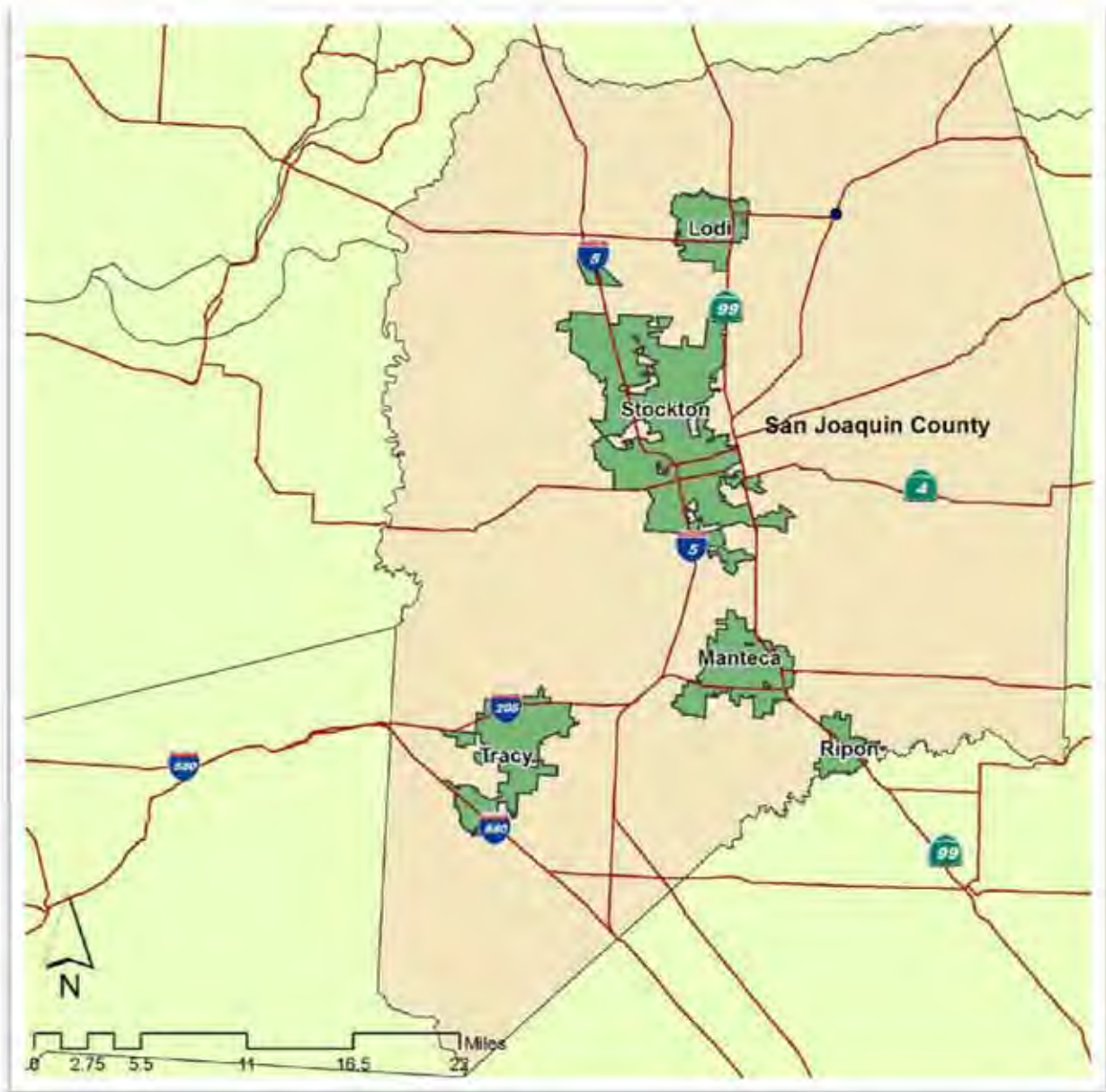
Cities of Citrus Heights, Elk Grove, Galt, and Rancho Cordova, and the County of Sacramento Unincorporated located in Sacramento County, California



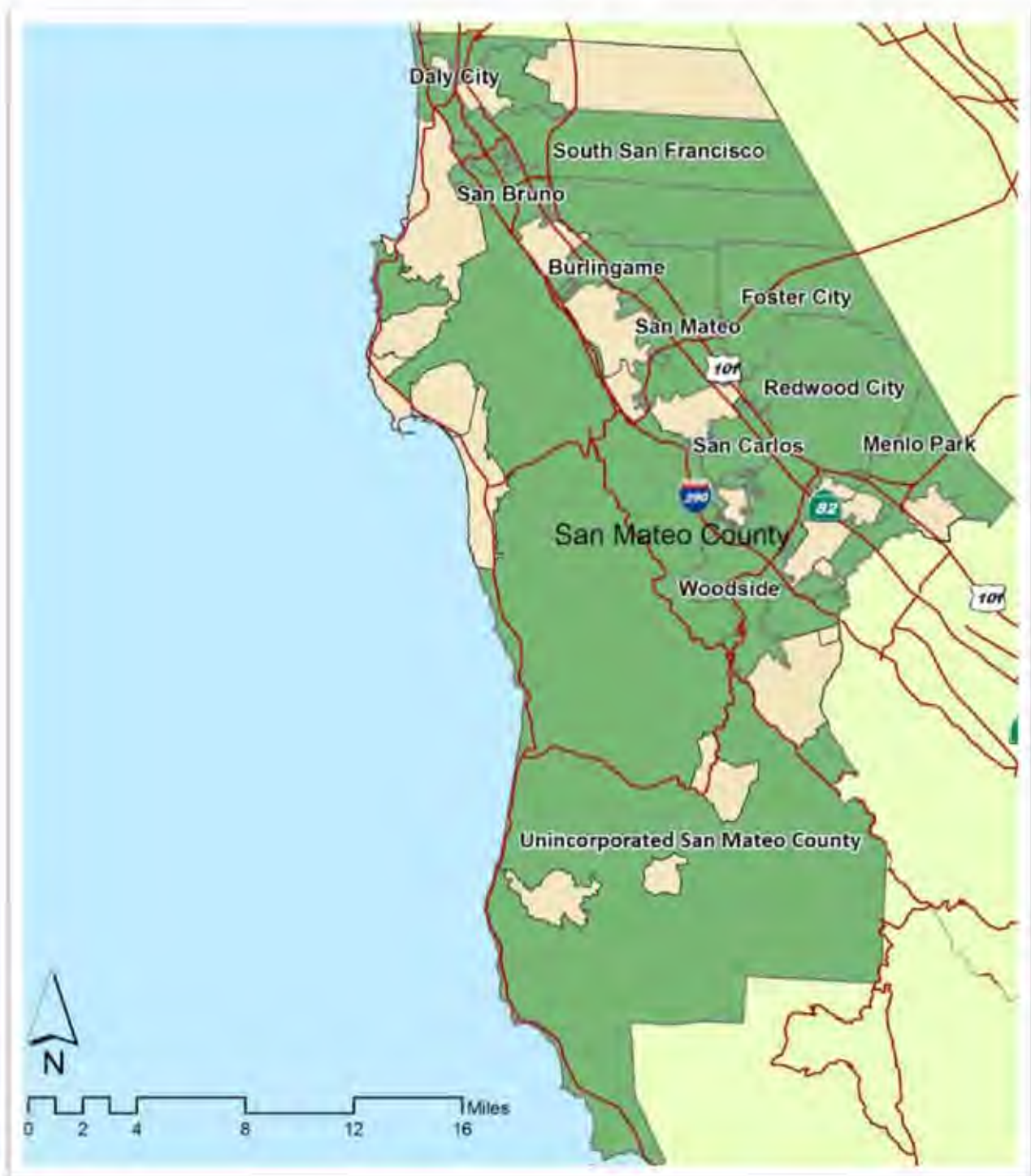
Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, and Vista, San Diego County unincorporated, located in San Diego County, California



Cities of Lodi, Manteca, Ripon, Stockton, and Tracy, located in San Joaquin County, California



Cities of Burlingame, Daly City, Foster City, Menlo Park, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside, and the County of San Mateo unincorporated, located in San Mateo County, California



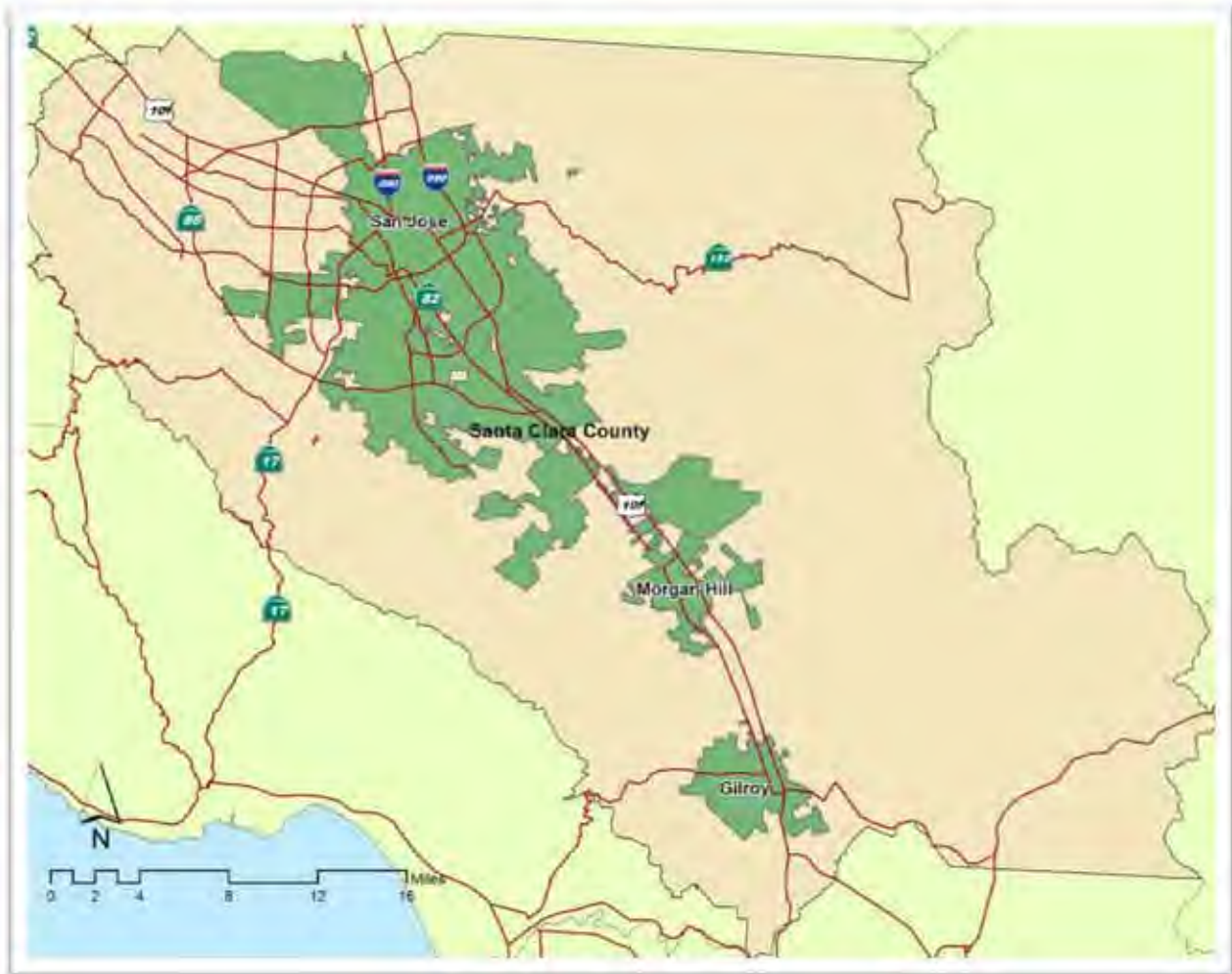
City/County of San Francisco, located in San Francisco County, California



City of Lompoc, located in Santa Barbara County, California



Cities of Gilroy, Morgan Hill and San Jose, located in Santa Clara County, California



**Cities of Capitola, Santa Cruz, Scotts Valley, and Santa Cruz County
unincorporated area, located in Santa Cruz County, California**



Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville, Vallejo, and the Solano County unincorporated, located in Solano County, California



Cities of Cloverdale, Healdsburg, Rohnert Park, Sebastopol, Sonoma, Windsor, and Sonoma County unincorporated, located in Sonoma County, California



Cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock, and Waterford, located in Stanislaus County, California



County of Tehama unincorporated, located in Tehama County, California



Cities of Porterville, Tulare, and Visalia, located in Tulare County, California



Cities of Fillmore, Ojai, Oxnard, Port Hueneme, and San Buenaventura, Santa Paula, located in Ventura County, California



**Cities of Davis, West Sacramento, Winters, Woodland, and Yolo County
unincorporated area, located in Yolo County, California**



Item 6.A

HERO Program Activities Update

Attachment 4

WRCOG Resolution Number 34-15;
A Resolution of the Executive
Committee of the Western Riverside
Council of Governments Declaring its
Intention to Modify the California
HERO Program Report so as to
Increase the Program Area within
which Contractual Assessments may
be offered and Setting a Public
Hearing Thereon

Page Intentionally Left Blank



RESOLUTION NUMBER 34-15

**A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
DECLARING ITS INTENTION TO MODIFY THE CALIFORNIA HERO PROGRAM REPORT
SO AS TO INCREASE THE PROGRAM AREA WITHIN WHICH CONTRACTUAL
ASSESSMENTS MAY BE OFFERED AND SETTING A PUBLIC HEARING THEREON**

WHEREAS, the Executive Committee of the Western Riverside Council of Governments (WRCOG) previously initiated proceedings pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (the "Chapter 29") to permit the provision of Property Assessed Clean Energy (PACE) services within those cities that had taken action to become Associate Members of WRCOG as of the date of the initiation of such proceedings and did, by the adoption of its Resolution Number 10-13 on June 3, 2013, (the "Resolution Confirming the Program Report"), approve a report (the "Program Report") addressing all of the matters set forth in Section 5898.22 and 5898.23 of Chapter 29 and establish and order the implementation of a voluntary contractual assessment program to be known as the "California HERO Program" (the "Program") to assist property owners within the jurisdictional boundaries of such Associate Members with the cost of installing distributed generation renewable energy sources, energy and water efficient improvements and electric vehicle charging infrastructure that are permanently fixed to their properties ("Authorized Improvements"); and

WHEREAS, in approving the Program Report, the Executive Committee also established the jurisdictional boundaries of such Associate Members as the initial territory within which voluntary contractual assessments may be offered (the "Program Area") to provide for financing of the installation of Authorized Improvements on properties within such Program Area; and

WHEREAS, subsequent to the establishment of the Program, the Executive Committee has undertaken proceedings pursuant to Chapter 29 to expand the Program Area within which contractual assessments may be offered to include the jurisdictions of certain counties and additional cities that had taken action to become Associate Members of WRCOG since the establishment of the Program; and

WHEREAS, now the legislative bodies of the Cities of Camarillo, Millbrae, Mountain View, Novato, Union City and the County of El Dorado unincorporated area, (the "Additional Associate Members") have taken action to become Associate Members of WRCOG and thereby enable the Executive Committee to consider modifying the Program Report by increasing the Program Area to include the jurisdictions of such Additional Associate Members so as to enable voluntary contractual assessments to be offered pursuant to the Program to the owners of properties within such jurisdictions to finance the installation of Authorized Improvements on such properties; and

WHEREAS, the Executive Committee desires to initiate proceedings pursuant to Chapter 29 to modify the Program Report to include the jurisdictions of the Additional Associate Members in the Program Area.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. The Executive Committee declares its intention to modify the Program Report so as to modify the Program Area within which contractual assessments may be offered pursuant to the California HERO Program to include the jurisdictions of the Additional Associate Members.

Section 2. Public Hearing. Pursuant to Chapter 29, the Executive Committee hereby orders that a public hearing to be held before the Executive Committee in the First Floor Board Chambers, County of Riverside Administration Center, 4080 Lemon Street, Riverside, California, at 2:00 p.m. on November 2, 2015, on the proposed modification to the Program Report to increase the Program Area. At the public hearing all interested persons may appear and hear and be heard and object to or inquire about the proposed modifications to the Program Report to increase the Program Area.

Section 3. Notice of Public Hearing. The Secretary of the Executive Committee is hereby directed to provide notice of the public hearing by publishing such notice once a week for two weeks, pursuant to Section 6066 of the California Government Code, and the first publication shall occur not later than 20 days before the date of such hearing in a newspaper of general circulation published within the jurisdiction of each of the Additional Associate Members or, if there is no such newspaper of general circulation published within any such jurisdiction of any such Additional Associate Member, then in a newspaper of general circulation published nearest thereto.

Section 4. Effective Date of Resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on October 5, 2015.

Brian Tisdale, Chair
WRCOG Executive Committee

Rick Bishop, Secretary
WRCOG Executive Committee

Approved as to form:

Steven DeBaun
WRCOG Legal Counsel

AYES: _____ NOES: _____ ABSENT: _____ ABSTAIN: _____



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Report from the League of California Cities

Contact: Erin Sasse, Regional Public Affairs Manager, League of California Cities,
esasse@cacities.org, (951) 321-0771

Date: October 5, 2015

Requested Action:

1. Receive and file.

This item is reserved for a presentation from the League of California Cities Regional Public Affairs Manager for Riverside County.

Prior WRCOG Action:

September 17, 2015: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

None.

Attachment:

None.

Page Intentionally Left Blank



Western Riverside Council of Governments Executive Committee

Staff Report

Subject: Special Presentation on the Southern California Association of Governments' Regional Transportation Plan / Sustainable Communities Strategy

Contact: Hasan Ikhata, SCAG Executive Director, ikhata@scag.ca.gov, (213) 236-1800

Date: October 5, 2015

Requested Action:

1. Receive and file.

This item is reserved for a Special Presentation from Hasan Ikhata, Executive Director of the Southern California Association of Governments (SCAG) on the 2016-2040 Regional Transportation Plan / Sustainable Communities Strategy (RTP/SCS).

The 2016 RTP/SCS is a long-range visioning plan that balances future mobility and housing needs with economic, environmental and public health goals. The RTP/SCS is updated every four years and embodies a collective vision for the region's future and is developed with input from local governments, county transportation commissions (CTCs), tribal governments, non-profit organizations, and businesses and local stakeholders within the SCAG region. More information and regular updates are available on SCAG's designated RTP/SCS website, located at www.scagrtpscsc.net.

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

None.

Attachment:

1. SCAG 2016/2040 RTP/SCS Update PowerPoint.

Page Intentionally Left Blank

Item 6.C

Special Presentation on the Southern
California Association of
Governments' Regional
Transportation Plan / Sustainable
Communities Strategy

Attachment 1

SCAG 2016/2040 RTP/SCS
Update PowerPoint

Page Intentionally Left Blank



2016 RTP/SCS

2016 RTP/SCS UPDATE

Hasan Ikhata, Executive Director

Southern California Association of Governments
October 5, 2015

What is an RTP/SCS?

- Long-term vision and investment framework
- Federal Requirements
 - Updated every 4 years to maintain eligibility for federal funding
 - Long Range: 20+ years into the future
 - Financially-constrained: Revenues = Costs
 - Passes regional emission standards (Conformity)
- State Requirements
 - Must meet SB 375 requirements (address GHG reductions)



Why is Developing an RTP/SCS Important?

- Transportation knows no boundaries
- Coordination of regional projects
- Facilitates regional/local competitiveness for funding
- Allows any federally-funded or regionally-significant projects to maintain their eligibility for federal funding



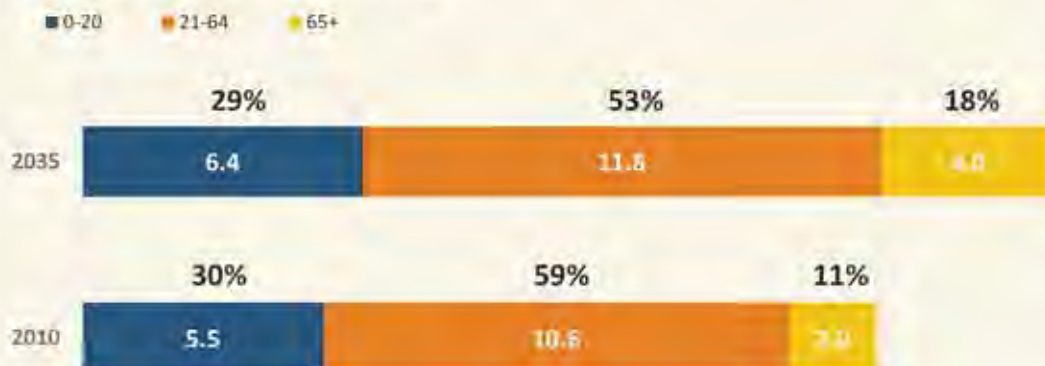
2016
2040 RTPSCS

Growth Forecast – 2012-2040

	RIVERSIDE COUNTY			SCAG REGION		
	2012	2040	CHANGE	2012	2040	CHANGE
POPULATION	2,245,000	3,168,000	923,000	18,323,000	22,121,000	3,798,000
HOUSEHOLDS	695,000	1,049,000	354,000	5,886,000	7,407,000	1,521,000
JOB	617,000	1,175,000	558,000	7,440,000	9,872,000	2,432,000

Population Shifts by Age Cohort

Population by Age Group (in millions)



Note: Percentages do not add to 100% due to rounding.
Source: US Census Bureau, SCAG

Implications of Changing Demographics

- Increased demand for housing choices in cities with lots of amenities
- Surplus of large-lot homes
- Increased demand for health care and social services
- Downward pressure on tax revenues
- Changing transportation preferences



From Baby Boomers to Millennials



VS





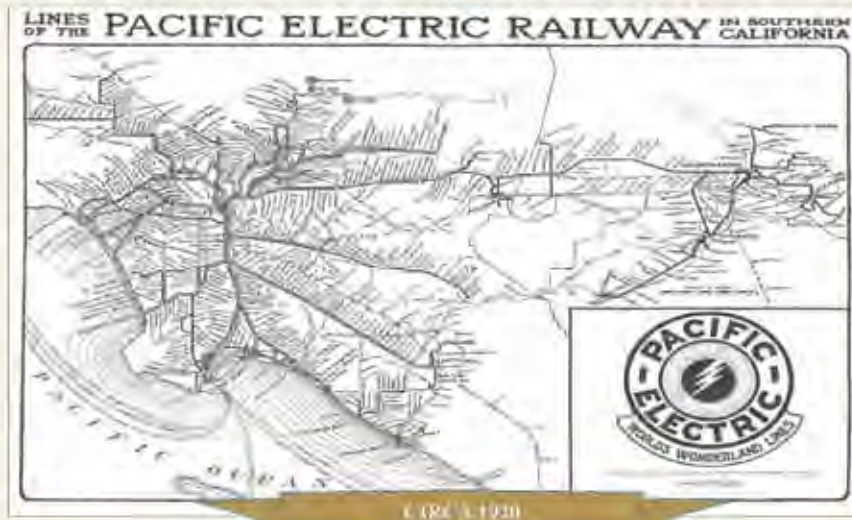
Shared Mobility/Shared Economy

- Rapid adoption of new communication technologies
- Travel fewer miles and make fewer trips
- Less interested in car and home ownership
- Rapidly adopting to the "shared" economy
- Favor low-travel urban lifestyles with emphasis on walking, cycling, ride-sharing and transit



2016 RTP/SCS

2016 RTP/SCS Emerging Trends & Opportunities Passenger Rail



Passenger Rail and Transit - 1990



Passenger Rail and Transit - 2012



Passenger Rail and Transit - 2040



Goods Movement Projects and Strategies

Expected Goods Movement Investments DRAFT 2016 RTP/SCS

Over **\$75 Billion**

- East-West Freight Corridor
- Port access
- Freight rail capacity
- Grade separations
- Truck bottleneck projects
- Intermodal facilities
- Emission reduction strategies



Transportation Technologies

- Neighborhood Electric Vehicles (NEVs)
- Urban Mobility Platforms
- eBikes
- Car/Bike Sharing
- Travel Planning Apps
- Connected Vehicle Technologies
- Semi-automated drive modes
- Adaptive Cruise Control
- Lane centering
- Fully Autonomous Vehicles



Active Transportation



Finance - Insufficient Core Revenues to Meet System Needs

Total SCAG Region System Needs: \$554 Billion (in Nominal Dollars)



Notes: Revenue's projected sum is \$554 billion to match needs.

Anticipated Outcomes

- Additional transportation system capacity
- State/Federal legislative advocacy
 - Cap-and-Trade
 - Transportation Corridors Improvement (TCIF)
 - Fully-funded National freight program
- SCAG Sustainability Program – \$12 million in FY13-15, more to come
- Economic analysis of 2016 RTP/SCS
 - Economic development
 - Job growth
 - Project streamlining
 - Move local projects forward
 - Achieve a balance between economic and environmental sustainability



Upcoming Schedule

Draft 2016 RTP/SCS & PEIR Release	December 2015
2016 RTP/SCS Public Comment Period	Minimum 55 Days
2016 RTP/SCS PEIR Public Comment Period	Minimum 45 Days
Elected Officials Briefings	January 2016
Public Hearings	January 2016
Final Adoption of 2016 RTP/SCS & PEIR	April 7, 2016



2016
2040 **RTPSCS**

Thank you!

Learn more by visiting www.scagrtpsc.net

Contact me at: jkhata@scag.ca.gov or 714.246.1800





Western Riverside Council of Governments Administration & Finance Committee

AGENDA

Thursday, November 12, 2015
12:00 p.m.

Note
Location

Eastern Municipal Water District
2270 Trumble Road
Main Office Entrance
2nd Floor, Conference Room 217
Perris, CA 92570

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the WRCOG Administration & Finance Committee meeting, please contact WRCOG at (951) 955-8320. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 4080 Lemon Street, 3rd Floor, Riverside, CA, 92501.

1. **CALL TO ORDER (Brian Tisdale, Chair)**
2. **PUBLIC COMMENTS**

At this time members of the public can address the WRCOG Administration & Finance Committee regarding any items with the subject matter jurisdiction of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

3. **CONSENT CALENDAR**

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

- A. **Summary Minutes from the October 14, 2015, WRCOG Administration & Finance Committee meeting are available for consideration.** P. 1

Requested Action: 1. Approve Summary Minutes from the October 14, 2015, WRCOG Administration & Finance Committee meeting.

- B. **WRCOG Finance Department Activities Update** **P. 9**

Requested Action: 1. *Receive and file.*

4. **REPORTS/DISCUSSION**

- A. **WRCOG Financial Report Summary through September 2015** **P. 11**

Requested Action: 1. *Receive and file.*

- B. **HERO Program Activities Update** **P. 17**

Requested Action: 1. *Recommend that the WRCOG Executive Committee adopt Consumer Protections Policy for Property Assessed Clean Energy (PACE) providers for use by member jurisdictions in considering whether to allow additional providers.*

- C. **WRCOG TUMF Program Activities Update (to be transmitted under separate cover)**

Requested Actions: 1. *Provide direction and/or a recommendation to the WRCOG Executive Committee regarding a potential Construction Cost Index (CCI) to the current TUMF.*
2. *Recommend that the Executive Committee approve a policy that would require review and approval by the WRCOG Executive Director of all proposed TUMF Program fee exemptions.*

- D. **Feasibility study for Western Riverside County on the formation of a Community Choice Aggregation Program** **P. 47**

Requested Action: 1. *Discuss and provide direction.*

- E. **Purchase of WRCOG Fleet Vehicle** **P. 57**

Requested Action: 1. *Discuss and provide direction on the purchase of an Agency fleet vehicle.*

5. **ITEMS FOR FUTURE AGENDAS** **Members**

Members are invited to suggest additional items to be brought forward for discussion at future WRCOG Administration & Finance Committee meetings.

6. **GENERAL ANNOUNCEMENTS** **Members**

Members are invited to announce items / activities which may be of general interest to the WRCOG Administration & Finance Committee.

7. **CLOSED SESSION**

Conference with Legal Counsel – anticipated litigation
Initiation of litigation pursuant to Section 54956.9(d)(4): 1 potential case

8. **NEXT MEETING:** The next WRCOG Administration & Finance Committee meeting is scheduled for Wednesday, December 9, 2015, at 12:00 p.m., in the County of Riverside Administrative Center, 4th Floor, Conference Room A.

9. **ADJOURNMENT**

**Administration & Finance Committee
October 14, 2015
Summary Minutes**

Item 3.A

1. CALL TO ORDER

The meeting of the WRCOG Administration & Finance Committee (Committee) was called to order at 12:03 p.m. by Chairman Brian Tisdale, at the County of Riverside Administrative Center, 4th Floor, Conference Room A.

Members present:

Debbie Franklin, City of Banning
Eugene Montanez, City of Corona
Laura Roughton, City of Jurupa Valley
Brian Tisdale, City of Lake Elsinore (Chair)
Scott Miller, City of San Jacinto
Ben Benoit, City of Wildomar
Mike Naggar, City of Temecula
Marion Ashley, County of Riverside District 5
Brenda Dennstedt, Western Municipal Water District

Staff present:

Steve DeBaun, Legal Counsel, Best Best & Krieger, LLP
Rick Bishop, Executive Director
Ernie Reyna, Chief Financial Officer
Barbara Spoonhour, Director of Energy and Environmental Programs
Donna Dean, Program Manager
Jennifer Ward, Program Manager
Crystal Adams, Staff Analyst
Andrea Howard, Staff Analyst
Janis Leonard, Executive Assistant

Guests present:

Grant Yates, WRCOG Technical Advisory Committee Chair
Clint Lorimore, Building Industry Association, Riverside Chapter
Carolyn Syms-Luna, Riverside County Habitat Conservation Agency
Tiffany North, Riverside County Legal Counsel
Joe Livaich, Renew Financial
Tom Hemmings, Renovate America
Steve Manos, Mayor, City of Lake Elsinore

2. PUBLIC COMMENTS

Joe Livaich, Renew Financial, Program Administrator for the CaliforniaFIRST Property Assessed Clean Energy (PACE) Program, indicated that CaliforniaFIRST operates in over 300 cities, spanning 37 counties, throughout the state, and is a program of the League of California Cities and the California State Association of Counties. Mr. Livaich would like to present CaliforniaFIRST's underwriting standards and consumer protections of its program. CaliforniaFIRST's disclosures and consumer protections are very much the same as the HERO Program's. CaliforniaFIRST is working with HERO representatives to create both statewide and nationwide industry best practices.

3. CONSENT CALENDAR – M/S/A (Benoit/Franklin) 9-0-0; Items 3.A through 3.D were approved by a unanimous vote of those members present. The City of Murrieta and the County of Riverside District 3 were not present.

A. Summary Minutes from the September 9, 2015, WRCOG Administration & Finance Committee meeting are available for consideration.

Action: 1. *Approved Summary Minutes of the September 9, 2015, WRCOG Administration & Finance Committee meeting.*

B. WRCOG Finance Department Activities Update

Action: 1. *Received and filed.*

C. Single Signature Authority Report

Action: 1. *Received and filed.*

D. WRCOG TUMF Program Activities Update

Action: 1. *Received and filed.*

4. REPORTS/DISCUSSION

A. WRCOG Financial Report Summary through August 2015

Ernie Reyna reported revenues and expenditures for the first two months of the fiscal year. The two largest sources of revenue are from the TUMF and HERO Programs. As such, the two largest sources of expenditures are also from the TUMF and HERO Programs.

Action: 1. *Received and filed.*

B. WRCOG 1st Quarter Draft Budget Amendment for Fiscal Year 2015/2016

Ernie Reyna reported that line items have been balanced. The Energy Department is the only department to incur a net change in expenditures and revenue, given that some revenue for the Western Riverside Energy Leader Partnership Program from the prior year were not received until the new fiscal year.

Action: 1. *Recommended that the WRCOG Executive Committee approve the WRCOG 1st Quarter Draft Budget Amendment for Fiscal Year 2015/2016.*

M/S/A (Franklin/Ashley) 9-0-0; Item 4.B was approved by a unanimous vote of those members present. The City of Murrieta and the County of Riverside District 3 were not present.

C. HERO Program Activities Update

Barbara Spoonhour reported that staff is working with Renovate America to develop Consumer Protection Policies (15 policies in all) for Property Assessed Clean Energy (PACE) providers to adhere to. Policies include Post-funding homeowner support, Disclosures & Documentation, Privacy, Protected Classes, and Examination, to name a few.

When completed, WRCOG and Renovate America will be asking PACE providers throughout the state to agree to these 15 policies.

Steve Manos indicated that the HERO Program has made phenomenal progress and urges staff to stay on top of advertising standards. Additionally, the Program should have someone to call regarding loans; someone outside of Renovate America. Lastly, Mayor Manos expressed his concern about having additional PACE providers in Western Riverside County.

Committee member Debbie Franklin asked Mayor Manos if he has heard from any jurisdictions or realtors that have dealt with other PACE providers?

Mayor Manos responded that he has not.

Committee member Eugene Montanez indicated that, with regard to the 15 policy items, the comparison of interest rates be added.

Ms. Spoonhour responded that within the detailed discussion of the Funding policy, competitive interest rates are discussed.

Ms. Spoonhour reviewed and compared the number of delinquencies for the past three tax years. Ms. Spoonhour reminded Committee members that the WRCOG Executive Committee has again deferred the judicial foreclosure process for the 2014-2015 tax year. Ms. Spoonhour also reviewed actual revenues and expenditures for the current fiscal year.

The Committee had no changes to the current policy regarding additional PACE providers.

Action: 1. *Received and filed.*

D. Potential Administration / Management of Riverside County Habitat Conservation Agency

Rick Bishop introduced Steve Manos, City of Lake Elsinore Mayor and Riverside County Habitat Conservation Agency (RCHCA) Board Member; Carolyn Syms Luna, RCHCA Executive Director; and Tiffany North, Legal Counsel for RCHCA, provided through the County of Riverside. Additionally, Mr. Bishop noted that WRCOG Administration & Finance Committee member Ben Benoit also serves as Past Chair and a current Board member of the RCHCA Board.

WRCOG was recently approached by RCHCA to discuss the impending retirement of Ms. Syms Luna, economies of scale, and the potential for transitioning RCHCA management and administration to WRCOG.

The purpose of RCHCA is to acquire, administer, and operate and maintain land facilities for ecosystem conservation and habitat reserves for the Stephens' Kangaroo Rat (KRat). The RCHCA is a Joint Powers Authority (JPA), was formed in 1990, and consists of 11 member jurisdictions. Current staffing is provided through the County of Riverside. Major activities include monitoring an annual report, management and monitoring of land, and fee collection. The RCHCA is a stable entity and carries a three-year financial reserve.

The potential agreement between WRCOG and RCHCA would keep the agencies separate, and allow for WRCOG to manage and administer the RCHCA. Current RCHCA employees could either remain County employees, or switch to WRCOG. Legal Counsel would continue to be provided through the County for the time being, and could possibly transition to WRCOG Legal Counsel (or not). The RCHCA Board currently meets on a quarterly basis, and could continue to do so.

Mayor Manos indicated that RCHCA carries its own weight and is self-sufficient. Fees collected from its member jurisdictions cover everything including staff salaries and Board stipends, and the Agency carries three years of financial reserves. Current staff is willing to remain on board.

The Agency has done so well that the KRat is anticipated to be delisted from the endangered species list. The RCHCA Board members see this as a positive decision.

Ms. Syms Luna indicated that initially the responsibilities and activities of RCHCA were contracted through the County via a Management Services Contract. The current KRat permit expires in 2026. The KRat plan is one of the few in the nation which has been so successful that it has been determined that the KRat might be able to be delisted.

Given the Committee structure of WRCOG, WRCOG is very suited to take on the RCHCA with respect to where it is going. WRCOG has committee members and staff who travel to Washington, D.C. on an annual basis and have created relationships; these relationships will be helpful when going through the process to delist the KRat.

Committee member Benoit indicated that when he served as Chairman of the RCHCA Board, he worked on amending the Management Services Agreement with the County. The RCHCA was not able to pick its staff; that was provided for by the County, via its Transportation & Land Management Agency (TLMA). While RCHCA Board members and/or staff were able to attend events and learn about current land management technologies, they had to go through a cumbersome authorization and reimbursement process, even though the RCHCA is its own JPA. WRCOG is the best agency to assume the RCHCA.

Mr. Bishop indicated that he recently met with Jay Orr (County Chief Executive Officer), George Johnson (County Assistant Executive Officer), and Juan Perez (TLMA Director). All expressed neutrality to the idea of having RCHCA activities transitioned to WRCOG. Charlie Landry (RCA Executive Director) indicated he, too, was neutral.

Committee member Marion Ashley indicated that the delisting of the KRat could occur through WRCOG.

Ms. Syms Luna indicated that she has met with County staff, whom have indicated no concerns with WRCOG assuming administration of RCHCA. Ms. Syms Luna is retiring in December and hopes to have a transition plan in place prior to that time. It is hoped that a Management Services Agreement with WRCOG can be presented to the RCHCA Board at its November meeting.

Committee member Scott Miller indicated that he sat on the RCA Board for the last five years; the last two years as Vice-Chair and Chair. The RCA is a completely different agency, is the largest MSHCP in the country, and includes over 150 species. From a lobbyist perspective, the RCA maintains close relationships with Legislators in D.C. In comparing RCHCA and RCA, there are a lot of duplicative efforts occurring. With regards to lobbying, if RCHCA is administered by WRCOG, perhaps some of those efforts can still tie in together.

Committee member Laura Roughton asked if 1) BEYOND funding could be used to support this; and 2) how does this benefit WRCOG?

Mr. Bishop responded that one of the operational parameters of WRCOG is to find ways to help local agencies and governments do things in a cost-effective manner, and administering RCHCA was consistent with that premise. The environment is one of the six focus areas for WRCOG, so in that respect there is a place for the RCHCA under the WRCOG umbrella.

Chairman Tisdale asked how much more work for the Executive Director and the agency will this create.

Mr. Bishop responded that the workload on the Executive Director would not be significant. There are five full-time RCHCA staff. WRCOG has a proven track record with regard to taking on new assignments.

Ms. Syms Luna added that RCHCA's missions are similar to those of WRCOG. The Metropolitan Water District has contracted with RCHCA to manage its lands. The Coachella Valley Association of Governments and other entities have approached RCHCA to consider managing its properties. RCHCA also has an educational outreach program similar to some of WRCOG's.

Committee member Eugene Montanez indicated that from a delisting stand point, it makes sense to merge with WRCOG. From a logistics standpoint, RCHCA may be better suited somewhere else. If delisting the KRat is a priority, then it should move to WRCOG.

Committee Member Ashley indicated that the decision should not be employee-driven, but program-driven based upon long-term goals.

Grant Yates indicated that the efficiencies, based upon relationships already established within WRCOG, in addition to a synergistic approach in D.C., it makes sense for WRCOG to assume administration of RCHCA.

Action: 1. *Directed staff to work with general counsel, RCHCA staff, and its counsel, to develop documents to provide for the transfer of administration and management activities of the RCHCA to WRCOG.*

M/S/A (Ashley/Benoit) 9-0-0; Item 4.D was approved by a unanimous vote of those members present. The City of Murrieta and the County of Riverside District 3 were not present.

E. BEYOND Local Assistance Funding Program

Jennifer Ward reported that the overreaching goal of the BEYOND Program is to facilitate implementation of the WRCOG Economic Development and Sustainability Framework, adopted by the WRCOG Executive Committee in 2012. Ms. Ward reviewed the allocation to member agencies for this year.

Projects proposed by member jurisdictions for BEYOND Program funding must demonstrate consistency with at least one of the six goal areas identified in the Sustainability Framework. Ms. Ward reviewed the timeline for submittal of project applications.

Committee member Laura Roughton asked if member jurisdictions had to apply for its entire allocated amount at once.

Ms. Ward responded that they do not. Multiple project applications can be submitted; however, the total combined amount cannot exceed the total allocated amount.

Committee member Ben Benoit asked if member jurisdictions can use this year's allocation next year.

Ms. Ward responded that they can; however, to keep in mind that while it is anticipated for the revenues to be available next year, the WRCOG Executive Committee has the option of utilizing the revenues in another manner in the future, such as one region-wide project. Member jurisdictions are encouraged to submit projects for funding now while revenues are available. Member jurisdictions have up to 18 months to utilize the allocated funding; an extension of time is also available. Payments will be provided on a reimbursement basis, and presentations have been provided to the WRCOG Finance Directors' and Technical Advisory Committees.

Action: 1. *Approved the Draft Evaluation Criteria for the BEYOND Local Assistance Fund Program.*

M/S/A (Franklin/Montanez) 9-0-0; Item 4.E was approved by a unanimous vote of those members present. The City of Murrieta and the County of Riverside District 3 were not present.

F. Appointment of WRCOG Representatives to CALCOG

Rick Bishop reported that Supervisor Chuck Washington is the current WRCOG representative to the California Association of Councils of Governments (CALCOG) and Chairman Tisdale serves as the alternate. Supervisor Washington recently informed Mr. Bishop that he is unable to continue to serve as the representative.

Pursuant to WRCOG policy, Mr. Bishop contacted WRCOG's elected officials notifying them of the opportunity; four elected officials responded expressing interest in the CALCOG positions.

Action: 1. *Mayor Pro Tem Brian Tisdale, City of Lake Elsinore, as the representative, and Mayor Pro Tem Scott Miller, City of San Jacinto, as the alternate.*

M/S/A (Ashley/Benoit) 9-0-0; Item 4.F was approved by a unanimous vote of those members present. The City of Murrieta and the County of Riverside District 3 were not present.

G. Rescheduling or Cancellation of the November 11, 2015, Administration & Finance Committee meeting

Rick Bishop reported that this Committee regularly meets the third Wednesday of each month. Veteran's Day falls on Wednesday this year.

The Riverside County Transportation Commission (RCTC) regularly holds its Board meeting prior to this Committee's meeting and members who serve as representatives to RCTC and WRCOG's Administration & Finance Committee are easily able to attend one meeting and then the other. Due to the non-availability of the Board Chambers on November 12, RCTC has moved its meeting location to Eastern Municipal Water District's facility located in the City of Perris.

Action: 1. *Instructed staff to schedule the next Administration & Finance Committee meeting for Thursday, November 12, 2015, to be held at the Eastern Municipal Water District.*

M/S/A (Ashley/Benoit) 9-0-0; Item 4.G was approved by a unanimous vote of those members present. The City of Murrieta and the County of Riverside District 3 were not present.

5. ITEMS FOR FUTURE AGENDAS

Committee member Debbie Franklin asked if any progress has been made with regard to her prior request on homelessness and reentry programs.

Rick Bishop responded that staff is compiling a listing of local governments which have those types of programs. WRCOG staff has also been talking with Mayor Rusty Bailey with the City of Riverside who has expressed interested in having a summit on poverty in the region.

6. GENERAL ANNOUNCEMENTS

Rick Bishop announced that he recently attended a County Management Retreat where providing large-scale broadband throughout Riverside County was discussed.

- 7. NEXT MEETING:** The next WRCOG Administration & Finance Committee meeting is scheduled for Thursday, November 12, 2015, at 12:00 p.m., at Eastern Municipal Water District in the City of Perris.
- 8. ADJOURNMENT:** The meeting of the WRCOG Administration & Finance Committee adjourned from at 1:23 p.m.

Page Intentionally Left Blank



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: WRCOG Finance Department Activities Update

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.cog.ca.us, (951) 955-8432

Date: November 12, 2015

Requested Action:

1. Receive and file.
-

Following is a schedule of finance-related activities for the Fiscal Year.

Financial Audit

The draft Comprehensive Annual Financial Report (CAFR) for Fiscal Year (FY) 2014/2015 is completed and will be presented at the November 18, 2015, Finance Director's Committee meeting. A recommendation from that Committee will be forwarded to the Administration & Finance Committee (December), followed by the Executive Committee meeting (January 2016).

Budget Amendment

December 31, 2015, marks the end of the second quarter of FY 2015/2016, and it is expected that the Administration & Finance Committee will receive a budget amendment report during the January 2016 meeting, and the Executive Committee will receive and consider adopting any amendments in February 2016. Remaining budget amendments are tentatively scheduled for Executive Committee consideration in May 2016, and August 2016.

Annual TUMF Program Jurisdiction Audits

As of the time of this writing, WRCOG staff has visited all but two jurisdictions, with only the Cities of Menifee and Lake Elsinore needing audits. It is expected that the final audit reports will be finalized in January 2016 and distributed to each jurisdiction for review in February 2016. After review, a report will be provided to the Administration & Finance Committee.

FY 2016/2017 Budget Development Process

In January 2016, staff will begin the process of compiling documents and information to prepare the FY 2016/2017 Agency Budget. This process will begin with the creation of budget templates and will incorporate input from each of WRCOG's department Managers. Upon completing the draft budget, review by WRCOG's Committees is scheduled as follows (the General Assembly approves the final Agency Budget):

March 2016: Finance Directors' Committee
April 2016: Administration & Finance Committee
April 2016: Technical Advisory Committee

May 2016: Finance Directors' Committee (*second review*)
May 2016: Administration & Finance Committee (*second review*)
May 2016: Technical Advisory Committee (*second review*)
May 2016: Executive Committee
June 2016: Executive Committee (*second review*)
June 2016: General Assembly

Prior WRCOG Action:

November 2, 2015: The WRCOG Executive Committee received report.

WRCOG Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact at this time.

Attachment:

None.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: WRCOG Financial Report Summary through September 2015
Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.cog.ca.us, (951) 955-8432
Date: November 12, 2015

Requested Action:

1. Receive and file.
-

Attached is WRCOG's financial statement through September 2015.

Prior WRCOG Action:

November 2, 2015: The WRCOG Executive Committee received report.

WRCOG Fiscal Impact:

This item is informational only; therefore, there is no fiscal impact.

Attachment:

1. WRCOG Financial Report Summary – September 2015.

Page Intentionally Left Blank

Item 4.A

WRCOG Financial Report Summary
through September 2015

Attachment 1

WRCOG Financial Report
Summary – September 2015

Page Intentionally Left Blank

Western Riverside Council of Governments
Monthly Budget-to-Actuals
For the Month Ended September 30, 2015

	Approved FY 15/16	9/30/2015	Remaining
Revenues	Budget	Actual	Budget
Member Dues	\$ 309,410	\$ 9,500	\$ 299,910
WRCOG HERO	1,906,381	415,256	1,491,125
WRCOG HERO Recording	636,785	120,270	516,515
WRCOG HERO Commercial	-	7,145	(7,145)
CA HERO	4,171,989	1,465,743	2,706,226
CA HERO Recording	1,393,555	400,045	993,510
Gas Company Partnership	67,750	8,504	59,246
SCE WRELP	70,000	9,087	60,913
SCE Phase II & III	-	69,215	(69,215)
Active Transportation	220,000	-	220,000
Regional Streetlights	200,000	-	200,000
Solid Waste	92,826	91,370	1,456
Used Oil	258,015	233,015	25,000
Air Quality	158,000	140,500	17,500
SCAQMD	38,750	15,999	22,751
LTF	633,500	684,750	(51,250)
Other Miscellaneous	13,000	-	13,000
General Assembly	300,000	-	300,000
TUMF - 4% Administration	1,022,358	367,138	655,220
TUMF - Total Program less Admin	30,000,000	8,811,301	21,188,699
Fund Balance Carryover	2,234,871	-	2,234,871
Total Revenues	\$ 43,727,170	\$ 12,848,839	\$ 28,643,460
Expenditures			
Salaries and Wages	\$ 1,958,660	\$ 358,054	\$ 1,600,606
Fringe Benefits	1,056,135	156,700	899,435
Overhead Allocation	1,500,089	375,022	1,125,067
General Legal Services	583,350	107,634	455,716
OPEB Expense	71,053	-	71,053
Audit Services	25,000	8,500	16,500
Bank Fees	3,000	10,173	(7,173)
Commissioners Per Diem	45,500	13,200	32,300
Office Lease	140,000	44,193	95,807
Special Mail Services	1,500	-	1,500
Parking Validations	2,950	280	2,670
Staff Recognition	500	103	398
Event Support	178,371	20,755	155,616
General Supplies	27,050	1,159	25,891
Computer Supplies	12,250	(235)	12,485
Computer Software	9,200	15,720	(6,520)
Rent/Lease Equipment	25,000	3,979	21,021
Membership Dues	33,000	13,520	19,480
Subscriptions/Publications	600	-	600
Meeting Support Services	11,050	860	10,190
Postage	5,200	1,184	4,036
Other Household	1,000	273	727
COG Partnership Agreement	38,660	-	38,660
Storage	20,660	-	20,660
Printing Services	36,562	287	36,275
Computer/Hardware	800	-	800
Communications - Phone	2,000	217	1,783
Communications - Long Dist	1,200	103	1,097
Communications - Cellular	10,911	1,393	9,518
Communications - Comp Serv	17,000	2,494	14,506
Communications - Web Site	10,500	1,589	8,932
Equipment Maint - General	16,100	3,430	12,670
Equipment Maint-comp/Software	1,000	-	1,000
Insurance - Errors & Omissions	255	-	255
Insurance - Gen/Business Liasion	60,000	66,240	(6,240)
County RIFMIS Charges	2,700	383	2,317
HERO Recording Fee	1,410,552	187,748	1,222,804
Seminars/Conference	13,450	2,231	11,219
General Assembly	300,000	(188)	300,188
Travel - Mileage Reimbursements	23,615	2,334	21,281
Travel - Ground Transportation	7,600	1,196	6,404
Travel - Airfare	21,500	5,898	15,602
Lodging	21,350	2,110	19,240
Meals	7,550	658	6,892
Other Incidentals	36,728	6,311	30,417
Training	6,500	-	6,500
Supplies/Materials	48,433	-	48,433
Newspaper Ads	8,730	-	8,730
Billboard Ads	10,000	-	10,000
Radio & TV Ads	64,800	7,942	56,858
Consulting Labor	2,271,550	222,268	2,049,284
Consulting Expenses	40,000	-	40,000
Other Miscellaneous Expenses	3,000	-	3,000
Computer Equipment Purchase	41,200	7,189	34,011
Office Improvement	5,000	-	5,000
TUMF Program less Admin Expenditures	28,800,000	5,551,306	23,248,694
Overhead transfer in	(1,500,000)	(375,022)	(1,124,978)
Transfer out to Reserve	5,140,260	1,285,085	3,855,195
Total Expenditures	\$ 42,667,304	\$ 8,114,215	\$ 34,553,089

Veronica

Page Intentionally Left Blank



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: HERO Program Activities Update

Contact: Barbara Spoonhour, Director of Energy and Environmental Programs,
spoonhour@wrcog.cog.ca.us, (951) 955-8313

Date: November 12, 2015

Requested Action:

1. Recommend that the WRCOG Executive Committee adopt Consumer Protections Policy for Property Assessed Clean Energy (PACE) providers for use by member jurisdictions in considering whether to allow additional providers.

WRCOG's HERO Program provides financing to property owners to implement a range of energy saving, renewable energy, and water conserving improvements to their homes and businesses. Improvements must be permanently fixed to the property and must meet certain criteria to be eligible for financing. Financing is paid back through a lien placed on the property tax bill. The HERO Program was initiated in December 2011 and has been expanded (an effort called "California HERO") to allow for jurisdictions throughout the state to join WRCOG's Program and allow property owners in these jurisdictions to participate.

WRCOG Policy Statement regarding multiple Property Assessed Clean Energy (PACE) program providers

In response to requests from member jurisdictions for guidance as they consider whether to allow additional PACE providers, the WRCOG Executive Committee developed a recommendation for member jurisdictions to consider when approached by other PACE providers. The two-part recommendation is as follows:

1. Request that member jurisdictions commit to HERO as the sole PACE Program for the WRCOG subregion.
2. However, if a member jurisdiction elects to move forward with other PACE providers, it should closely examine and compare a number of factors between HERO and other Programs, including local government oversight and accountability, consumer protections and contractor requirements, and adherence to Dodd-Frank and Government Finance Officers Association recommendations.

This Policy Statement focuses on Part 2 of the above recommendation. WRCOG staff has been working with Renovate America to translate our experience into a set of comprehensive industry consumer protection standards for PACE providers to commit to and abide by; these standards are included as Attachment 1 to this staff report. WRCOG believes that these standards can be used by jurisdictions evaluating proposals from providers seeking to conduct business in Western Riverside cities and in the County. Competition from other PACE providers, from WRCOG staff's perspective, should be limited to those providers who are committed to protecting our residents' interests, and who have the capacity to enforce each of these standards.

Examples of these standards include:

- **Underwriting guidelines.** Programs currently have different underwriting guidelines. Some of these programs fall below the threshold of our current Program and are not protective of consumers.

- **Underwriting processes.** Programs currently have different underwriting processes. Some programs follow processes that are less rigorous than those of our Program and that put homeowners at risk.
- **Disclosures.** Programs currently have different disclosures. Given the public-private nature of PACE, disclosures should be robust and consistent across programs in any marketplace.
- **Subordination.** HERO was the first program to offer subordination for all sales and soon all refinancing. This should be a minimum standard.
- **Maximum financing amount.** HERO is the only program which employs maximum financing restrictions. All programs should have this requirement.
- **Tax benefits.** Some programs inaccurately communicate the tax benefits to homeowners, claiming the entire payment is tax deductible. The minimum standard should be that accurate and standard language should be communicated to the homeowner.

It should be noted that even if other providers meet / comply with these, one thing that will continue to distinguish HERO from other PACE programs is that WRCOG provides administrative oversight to HERO; that level of government oversight and partnership does not exist in these other PACE programs.

Prior WRCOG Actions:

November 2, 2015: The WRCOG Executive Committee 1) received summary of the Revised California HERO Program Report; 2) conducted a Public Hearing Regarding the Inclusion of the Cities of Arcata, Camarillo, Chowchilla, Millbrae, Mountain View, Novato, Oakland, San Rafael, Tiburon, Union City, and the County of El Dorado unincorporated area, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional cities and to hear all interested persons that may appear to support or object to, or inquire about the Program; 3) adopted WRCOG Resolution Number 35-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered; 4) accepted the Cities of Belvedere, Crescent City, Dublin, Mill Valley, and Thousand Oaks, and the Counties of Butte and Kings unincorporated areas, as Associate Members of the Western Riverside Council of Governments; 5) adopted WRCOG Resolution Number 36-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon; and 6) authorized the WRCOG Executive Director to execute the agreement between WRCOG and Renovate America to advance funds to the Trustee (Deutsche Bank) for the 2014-2015 tax year delinquent properties.

October 14, 2015: The WRCOG Administration & Finance Committee received report.

October 5, 2015: The WRCOG Executive Committee 1) received summary of the Revised California HERO Program Report; 2) conducted a Public Hearing Regarding the Inclusion of the Cities of Chula Vista, Fairfax, Larkspur, Mission Viejo, Rohnert Park, Salinas, Santa Cruz, and Trinidad, and the Counties of Marin and Tehama unincorporated areas, for purposes of considering the modification of the Program Report for the California HERO Program to increase the Program Area to include such additional cities and to hear all interested persons that may appear to support or object to, or inquire about the Program; 3) adopted WRCOG Resolution Number 33-15; A Resolution of the Executive Committee of the Western Riverside Council of Governments Confirming Modification of the California HERO Program Report so as to expand the Program Area within which Contractual Assessments may be offered; 4) continued the Public Hearing Regarding the Inclusion of the Cities of Arcata, Chowchilla, Oakland, San Rafael, and Tiburon until November 2, 2015; 5) accepted the Cities of Camarillo, Millbrae, Mountain View, Novato, and Union City, and the County of El Dorado unincorporated area, as Associate Members of the Western Riverside Council of Governments; and 6) adopted WRCOG Resolution Number 34-15; A Resolution of the Executive Committee of the Western

Riverside Council of Governments Declaring Its Intention to Modify the California HERO Program Report so as to Increase the Program Area within Which Contractual Assessments may be Offered and Setting a Public Hearing Thereon.

WRCOG Fiscal Impact:

HERO revenues and expenditures for the WRCOG and California HERO Programs are allocated annually in the Fiscal Year Budget under the Energy Department.

Attachment:

1. Draft Property Assessed Clean Energy (PACE) Consumer Protection Policy Manual.

Page Intentionally Left Blank

Item 4.B

HERO Program Activities Update

Attachment 1

Draft Property Assessed Clean Energy (PACE) Consumer Protection Policy Manual

Page Intentionally Left Blank

Property Assessed Clean Energy (PACE)

Consumer Protection Policy Manual

Version 1.0

(Residential PACE Program)

DRAFT

OVERVIEW

Property assessed clean energy (“PACE”) programs enable an unprecedented range of homeowners to access energy efficiency, renewable energy, and water efficiency measures that improve the financial, functional and environmental aspects of home ownership. Improvements such as these make homes less costly to operate and more comfortable to live in, while simultaneously reducing energy and water consumption. Without PACE Programs, such as Renovate America’s HERO Program, many homeowners would have no, or costly, access to such benefits.

PACE Programs (“PACE Programs” or the “Program”), including the government authority sponsoring and administering them (“Authority”, Program Administrator” or “Administrator”) and the entity or entities who help implement them (“Partner”), deliver tools and resources that enable homeowners to make smart, informed and responsible choices regarding such measures (“Measures”). Appropriate use of such tools is the responsibility of all Programs, which means that care needs to be taken with homeowners before, during and after origination of Program financing. In other words, consumer protections that serve homeowners must be a core value of the Program, the Authority and the Partner.

The baseline consumer protection policies of the Program cover the following areas: (i) Risk, (ii) Disclosures and Documentation, (iii) Financing Terms, (iv) Operations, (v) Post-Funding Support, (vi) Data Security, (vii) Privacy, (viii) Marketing and Communications, (ix) Protected Classes, (x) Contractors, (xi) Eligible Products, (xii) Pricing, (xiii) Reporting, (xiv) Closing & Funding and (xv) Examination. These Policies provide homeowners with a greater level of consumer protection than any other form of financing. They also guide the Program’s implementation, enabling the transformation of its potential into tangible benefits for homeowners.

1. RISK

Policy Summary: The Program blends traditional credit risk considerations together with statutory requirements and legislative policy to develop risk criteria that are fitted to the Program. These criteria take into account the unique risk profile that this form of financing presents to enable qualifying homeowners to access it. While this process will exclude unqualified homeowners and properties, special consideration has been given to developing inclusive standards. These criteria examine four key attributes of every financed project: (i) the real property on which the improvements will be installed (“Property” or “Properties”), (ii) the encumbrances presently recorded against the Property, (iii) the nature of the improvements to be installed; and (iv) the homeowner’s mortgage and property tax payment history.

- 1.1. Properties. Consistent with foundational considerations, it is the policy of the Program to make the Program available to the entirety of the existing residential housing stock in political boundaries of the Program. Properties for which this form of financing is not available include: (i) commercial properties (including residential properties comprising four (4) or more units), (ii) new properties under construction and (iii) tax exempt properties (properties not subject to levy), such as tribal, non-profit or state-owned residential properties. If requested in good faith by the homeowner applying for the Program, the Partner is responsible for completing a “second look” eligibility review of all applications related to properties initially determined to be excluded, re-examining the specific attributes of the Property in question and confirming or modifying the original determination.
- 1.2. Encumbrances. The encumbrance profile of Properties is an important element of the decisioning process for Program participation. The Program is designed to harness unused financing capacity of homes in which eligible improvements are installed. Such financing is inappropriate if it burdens Properties and their owners too greatly. Accordingly, Properties eligible for Program financing will have the following attributes:
 - 1.2.1. All mortgage-related debt on the Property may not exceed 90% of the Property’s fair market value (“FMV”), or assessed value if market value data is unavailable or unreliable, at the time of initial approval;
 - 1.2.2. The financing may not exceed (i) fifteen percent (15%) of the FMV of the Property, up to the first seven hundred thousand dollars (\$700,000) of the Property’s FMV, and (ii) ten percent (10%) of the remaining value of the Property above seven hundred thousand dollars (\$700,000);
 - 1.2.3. The total mortgage-related debt on the underlying Property plus Program financing may not exceed the FMV of the Property; and
 - 1.2.4. The total amount of any annual property taxes and assessments shall not exceed five percent (5%) of the Property’s FMV, determined at the time Program financing is

approved.

- 1.3. Eligible Improvements. The Program provides financing for a broad range of eligible products and projects permanently-affixed to the Property, the details of which are set forth in Section 12 below. The Program is not available to finance ineligible products and projects, which comprise everything not specified in Section 12. While the Program is responsible for confirming compliance with the Section 12 requirements, it is not responsible for determining post-installation energy performance, savings or efficacy of such products or projects. The Program relies on U.S. Department of Energy, the Environmental Protection Agency and other government agencies in determining what constitutes an Eligible Improvement.
- 1.4. Homeowners. PACE Program assessments appear as line items on property tax bills and homeowners repay their financing when they pay their property tax bills. The mortgage and property tax payment history of homeowners of record thus is an important decisioning element of Program eligibility criteria. Accordingly, at the time of application, homeowners eligible for Program financing will have status and payment histories that are consistent with the following:
 - 1.4.1. The Applicants are the owners of record;
 - 1.4.2. Property tax payments for the assessed Property are current. Additionally, the homeowner must certify that there is no more than one late payment for the shorter of (i) the previous three years, or (ii) since the present homeowner acquired the Property;
 - 1.4.3. Homeowner(s) are current on all mortgage debt, and have been late on such payments no more than once (30 days maximum) during the 12-month period preceding funding;
 - 1.4.4. No homeowner applicant has had any active bankruptcies within the last 7 years; provided, however, that this criterion can be met if a homeowner's bankruptcy was discharged between two and seven years before the application date, and the homeowner(s) have had no payments (non-mortgage) past due for more than 60 days in the most recent 24 months; and
 - 1.4.5. Homeowner(s) have no involuntary lien(s) recorded against the Property in excess of \$1,000.

2. DISCLOSURES & DOCUMENTATION

Policy Summary: The documentation of the Program gives it shape, integrity and enforceability. Program participation documentation embodies principles key to the Program such as clarity, fairness, compliance, disclosure, knowledge and completeness. A reader who has spent time with the documentation should develop an unambiguous understanding of each and every right, risk and obligation associated with the Program's financing product. PACE is a new form of financing that, while sharing some features of traditional financing, presents new considerations for homeowners. Disclosures covering Program financing's unique repayment cycle (annual or semiannual) and the Federal Housing Finance Authority announcement regarding payoff of Program financing at the time of sale or refinance are among the new considerations. Best practices counsel the Program to disclose traditional financing terms (e.g., interest rates, financing term, payment amounts) as well. In the end, a homeowner who understands a Program's disclosures will be informed and have a clear understanding of the Program's traditional and non-traditional features.

- 2.1. Document timing. Before commencement of any Program-financed project, a homeowner needs to: (i) submit an application; (ii) receive approval of the Measures from the Partner; and (iii) execute documentation covering the terms describe in this Section and in the Disclosures summarized in this Section. Following construction of the Measures, a homeowner needs to: (i) execute an acknowledgement that the installation of the Measures has been completed satisfactorily; and (ii) receive a final summary of costs and payments. Delivery to, and execution of all such documentation by, the homeowner is the responsibility of the Partner.
- 2.2. Terms. Terms that are fundamental to the Program and that need to be reflected in its documents comprise: (i) the amount financed, fees and capitalized interest included, (ii) the repayment process and schedule, (iii) the payment amounts, (iv) a term that does not exceed the useful life of the majority of the improvements, (v) the rate of interest charged, (vi) a rate of interest that is fixed (not variable), (vii) a payment schedule that fully amortizes the amount financed, (viii) the nature of the lien created upon recordation, (ix) the specific improvements to be installed, (x) the 3-day right to cancel the financing, (xi) the right to withhold approval of payment until the project is complete, and (xii) Section 5899.2 rights for solar lease improvements. It is the responsibility of the Partner to prepare, deliver and arrange for execution of documents reflecting such terms.
- 2.3. Disclosures Policies. Disclosures heighten homeowner's awareness of key program financing terms and risks that appear in the Program terms and documentation. It is the

policy of the Program that Partners confirm delivery to, and receipt by, homeowners of these disclosures, and obtain written acknowledgement that homeowners have read and understand them. The following comprise the key disclosures of the Program provided by Partners in a financing summary in the form attached hereto as Attachment A.

Disclosures	Description
Term of financing	The maximum time period of the financing
Amount financed	The total amount financed, including fees and capitalized interest
Annual payment amount	The amount due each year, even if paid in semi-annual installments or through impound payments
Annual interest rate/APR	The effective interest rate after taking into account all fees and capitalized interest
Improvements financed	The Measures installed
FHFA risks	The risk that the homeowner may need to pay off the PACE assessment at the time of sale or refinance
Right to cancel	The 3-day right to rescind the financing
Prepayment	The right to prepay the Program financing without penalty

The following comprise additional key disclosures of the Program provided by Partners.

Disclosures	Description
Program overview	A document or section of a document that provides a comprehensive summary of the Program, including a summary of a homeowner's rights and obligations
Property tax repayment process	Payment of a homeowner's property tax bill that will include a line item related to the installed Measures
Tax benefits	Benefits associated with the purchase of certain Measures and the annual payments related to them.
Privacy	A notice describing the privacy policies of the Program
Federal disclosures	Those appearing in the Program application
Foreclosure	The foreclosure process in the event of a homeowner default

2.4 Confirmation of Terms. For all Program financing applications associated with contractors that are either new to the Program or are on the Partner's watch list (i.e. those contractors that are not Preferred Registered Contractors, as defined below), it is the policy of the Program that such Partner confirm live by telephone with the homeowner applicant each Program financing term listed in (b)-(g) of this Section 2.4 below. For all Program financing applications associated with a contractor who has reached the Partner's top rating category ("Preferred Registered Contractor"), determined by such contractor's constant and consistent actions meeting or exceeding the requirements and standards of the Program, it is the policy of the Program that the Partner conduct randomized calls to homeowners to confirm financing terms, but if such homeowner does not answer the phone, the Partner may confirm the terms of the Program financing on the homeowner's message machine, followed by a written email or hard copy communication.

Notwithstanding the above, irrespective of the contractor with whom the Program financing is associated, it is the policy of the Program that the Partners confirm live by telephone for each applicant who is over 64 years old the Program financing terms listed in (a)-(g) of this Section 2.4 below. For avoidance of doubt, for homeowners over 64 years old, a voicemail message does not satisfy the requirement of Program financing term confirmation under this Section 2.4.

When confirming terms of a Program financing with a homeowner, the Partners will:

- (a) Request the homeowner to describe generally the improvement(s) being financed using the Program financing. Ascertain that the homeowner understands the reason for the specific improvement(s) being obtained by such homeowner.
- (b) Ascertain that the homeowner understands his or her total estimated annual payment.
- (c) Ascertain that the homeowner understands the date his or her first tax payment will be due.
- (d) Ascertain that the homeowner understands the term of the Program financing.
- (e) Ascertain that the homeowner understands any additional fees (including recording fees) that will be charged to him or her.
- (f) Ascertain that the homeowner understands that payments for the Program financing will be added to his or her property tax bill and will cause the property tax bill to increase.
- (g) Ascertain that the homeowner understands that he or she may make payments on the Program financing either directly to the county assessor's office or through his or her mortgage impound account.

3. FUNDING

Policy Summary: *PACE is a new form of financing that, while sharing some features of traditional financing, presents new considerations for financing capital sources and structures. Best practices counsel the Program to proactively solicit feedback from Program stakeholders and homeowners and incorporate learnings into policy improvements which benefit homeowners.*

Interest Rates. It is the policy of the Program that the Partner offers fixed simple interest rates, and payments that fully amortize the obligation. Variable interest rates or negative amortization financing terms are not permitted.

Sustainable funding source. It is the policy of the Program that Partners establish a sustainable source of capital for funding PACE financed projects separate from the Authority's general fund or budget and have access to capital markets to ensure funding of qualified projects is available on a consistent basis. A Partner must demonstrate the capacity to fund assessments that the Administrator anticipates originating through such Partner over the six (6) month period immediately following the Administrator's review of such Partners' financial statements.

Subordination. The Program is not required but may offer the capability to accommodate homebuyers and homeowners by offering subordination of certain rights of its PACE assessment lien to the lien under a deed of trust. The subordination may provide the lien under a deed of trust with senior rights such that the lender will be induced to make a loan on a PACE-assessed property. The subordination option may be made available to homebuyers and homeowners in accordance with policy agreed upon by the Authority and the Partner.

Contractor fees. It is the policy of the Program that Partners can only charge fees to contractors offering Program financing as long as Partners (i) clearly and conspicuously disclose such fees to homeowners and (ii) require that contractors absorb such obligations and not pass such fees on to homeowners.

4. OPERATIONS

Policy Summary: *Operations delivers the Program to homeowners. Operations commercializes, productizes and draws on the work completed in a broad range of disciplines by the Partner or its Partner, such as sales, training, risk, contractor engagement, municipal engagement, accounting, finance, legal, capital markets, compliance, business development, marketing, government affairs and corporate development. While each operating unit incorporates thoughtful and highly effective consumer protections in the work it produces, Operations is the gatekeeper responsible for assuring that the Program has the people, processes, tools and technology necessary to deliver to homeowners the Program financing product, as well as the consumer protections described in these Policies.*

Operational consumer protection policies. It is the policy of the Program that the Partner or its Partner develop and provide people, processes, tools and technology necessary to support the consumer protection measures described in detail elsewhere in this manual, including: (i) risk and underwriting processes; (ii) terms and documentation delivery systems; (iii) documentation, maintenance and retrieval processes; (iv) disclosure development, delivery and acknowledgment receipt; (v) post-funding support for homeowners and other stakeholders such as real estate professionals; (vi) data security measures; (vii) privacy policy development and protections; (viii) marketing and communication oversight; (ix) protected class data and communication processes; (x) contractor management and engagement; (xi) eligible product database and/or list development and maintenance; (xii) implementation of the maximum financing amounts; (xiii) key metrics reporting; (xiv) closing and funding processes (including the ability to fulfill financing obligations); (xv) examination data production; and (xvi) implementation of procedures to identify and prohibit conflicts of interest within and associated with the Program.

5. POST-FUNDING HOMEOWNER SUPPORT

Policy Summary: A public/private partnership is at the core of the Program. This partnership carries with it elevated consumer protection responsibilities that apply to the Program with as much significance during the post-funding period as they do during the time of application and origination. Establishing and operating an executive office responsible for customer care that responds to inquiries, complaints, contractor and workmanship concerns, product performance questions and related matters for the lifecycle of the improvements financed is fundamental to the consumer protections that the Program provides.

- 5.1. Proactive Engagement. It is the policy of the Program that the Partner and its Partner proactively to monitor and test the consumer protections delivered to homeowners, and to request feedback from homeowners and contractors to identify areas in need of improvement.
- 5.2. Onboarding. It is the policy of the Program that Partners develop and implement a post-installation onboarding procedure to reinforce key characteristics of the Program, such as those highlighted in the Program disclosures.
- 5.3. Payments. It is the policy of the Program that the Partner have disclosures and resources in place to resolve homeowner questions regarding matters such as impound account catch up payments, payment timing inquiries and payment amount reconciliation. It is also the policy of the Program that the Partner implement procedures for responding to requests for partial or full prepayment of their PACE property tax assessment in a timely and complete manner.
- 5.4. Inquiries and complaints. It is the policy of the Program that the Partner receive, manage, track, timely resolve, and report on all inquiries and complaints from homeowners. This policy contemplates development of a team with the skills necessary to perform inspections, meet with homeowners and contractors, investigate matters, and mediate resolutions with homeowners and contractors. The Partner must proactively work to resolve inquiries and complaints in a reasonable and timely manner and in accordance with the Program guidelines and must make communication for homeowners available during regular business hours by phone, email and facsimile communication.
- 5.5. Real estate transactions. It is the policy of the Program that the Partner develop capabilities to assist homeowners who are refinancing or selling their Properties. The Partner must support real estate professionals providing services to refinance and sales transactions for properties with PACE assessments.

6. DATA SECURITY

Policy Summary: Trust is fundamental to any financing relationship, and Program financing is no exception. The public/private partnership at the center of the Program, as well as the confidential relationship homeowners have with the Program Partner mandate that any market-ready Program be in robust compliance with sturdy cyber-security standards, and in particular develop secure and tested processes that protect homeowner personal identifiable information at points of potential vulnerability, especially during the application process.

6.1. Information systems. It is the policy of the Program that the Partner develop and comply with secure and tested processes to protect the personal identifiable information of the homeowner described in Section 7 below. Such secure and tested processes should, at a minimum, include:

- 6.1.1. A cyber-security policy and protocol that, at a minimum, requires data encryption “during transmission” and “at rest,” and compliance with sturdy cyber-security standards;
- 6.1.2. The Partner is responsible for controlling access to information, based upon, job function and need-to-know criteria; and
- 6.1.3. The Partner is responsible for taking security measures that protect the security and confidentiality of consumer records and information in proportion to the sensitivity of the information, including, without limitation, requiring all computers containing any confidential consumer information to have all drives encrypted with industry standard encryption software.
- 6.1.4. The Partner is responsible for monitoring and logging all remote access to its systems, whether through VPN or other means.
- 6.1.5. Data security policies are subject to auditing and penetration at least annually and any time a change is made that may have any potential impact on the servers, security policies or user rights.
- 6.1.6. The Partner is responsible for ensuring minimum viable configurations are in place on all servers. All firewalls should have continuous logging enabled. In addition, access control lists and audited server configurations should be used to ensure that data security is maintained.

6.2. Personnel.

- 6.2.1. The Partner is responsible for informing and enforcing the compliance with the Program’s data privacy and security policies on the part of every employee, contractor, vendor, agent, service provider, representative, and associate who is exposed to personal identifiable information of homeowners.
- 6.2.2. The Partner is responsible for implementing protections and controls to prevent

unauthorized copying, disclosure, or other misuse of sensitive consumer information.

DRAFT

7. PRIVACY

Policy Summary: The trusting and confidential relationship that exists between homeowners and Program extends to the Partner's use of homeowner data. Compliance with the Graham Leach Bliley Act as well as the establishment of clear opt-in and opt-out protocols for information sharing are the pillars of the Program's privacy policy. More broadly, Program must protect and manage sensitive consumer information, must respect the privacy of all homeowners, and must implement robust controls to prevent unauthorized collection, use and disclosure of such information.

The following summarizes the Program's privacy policy:

- 7.1. Privacy policy. The Program obtains sensitive consumer information from homeowners as part of the application process for Program participation or through other homeowner touch points with the Program. It is the policy of the Program that the Partner develops and delivers to homeowners who apply for the Program or who otherwise provide personal identifiable information (e.g., full name, home address, social security numbers, date of birth,) a privacy policy that complies with state and federal law (e.g., the Graham Leach Bliley Act) and, in particular, prohibits sharing with third parties personal identifying information of homeowners without the homeowners' express authorization except where expressly permitted by state and federal law. Such privacy policy will cover (i) the sources from which sensitive consumer information is obtained, (ii) the Partner's use of sensitive consumer information, and (iii) a mechanism by which a consumer may opt-out of sharing information. The Partner will deliver to homeowners any updates to such privacy policies.
- 7.2. Application process. It is the policy of the Program that all personal identifying information provided by a homeowner to the Partner during the application process is provided directly by the homeowner to the Partner. The Partners will establish processes and controls to ensure that personal identifiable information of a homeowner is obtained directly from such homeowner (or his verifiable legal representative or attorney in fact) and not from a contractor or other third party.

8. MARKETING & COMMUNICATIONS

Policy Summary: Clear, informative, truthful, balanced, transparent and complete communications are essential for the Program. The stakeholders of any Program include (without limitation) homeowners, contractors, the Authority, government officials and staff, investors, finance partners, real estate professionals and lenders. Communications, acts and practices that mislead stakeholders add ineligible expense to PACE financing or to the Program, abuse stakeholders, and otherwise fail to meet the core communication standards of appropriateness for the Program and are not acceptable.

- 8.1. Prohibited practices. It is the policy of the Program to prohibit practices that are or could appear to be unfair, deceptive, abusive, and/or misleading, that violate laws or regulations, that provide tax advice, that are inappropriate, incomplete or are inconsistent with the Program's purpose (e.g., use of check facsimiles to dramatize the amount of PACE Program financing available or presented as if a negotiable instrument). Marketing practices that are likely to add unnecessary expense to a homeowner (e.g., paying contractors for referrals or applications), that unlawfully use sensitive consumer data or that violate any other law or regulation (including, for example, practices related to telemarketing) are prohibited.
- 8.2. Permitted practices. It is the policy of the Program to adhere to all legal and regulatory requirements (e.g., telemarketing) pertaining to its advertising and marketing efforts. On the basis of providing clear and concise communication to consumers, any practice that promotes informed decisioning on the part of homeowners and is not prohibited as described in section 8.1 above is permitted. The Partner is responsible for developing, delivering to and enforcing marketing guidelines for the Program's Registered Contractors. Any marketing materials that fall outside of marketing guidelines established must be approved by the Partner to ensure that they are not unfair, deceptive, abusive and/or misleading.
- 8.3. Tax advice. It is the policy of the Program that no Partner, contractor or third party (who is not a tax expert) may provide tax advice to consumers regarding their Program financing. Homeowners are encouraged to seek the advice of an expert regarding tax matters related to the Program.
- 8.4. Payments in Exchange for Financing. It is the policy of the Program that no Partner may provide a direct cash payment to a contractor or Affiliated Individual explicitly in exchange for such contractor or Affiliated Individual's offering Program financing to a homeowner. It is also the policy of the Program that no Partner, contractor or Affiliated Individual may provide a direct cash payment or other thing of value to a homeowner explicitly in exchange for such homeowner's selecting Program financing. For

avoidance of doubt, the limitations provided in this Section 8.4 are not intended to prevent the Program from offering to homeowners, contractors or Affiliated Individuals promotions that are not explicitly part of the exchange referred to in the preceding two sentences.

DRAFT

9. PROTECTED CLASSES

Policy Summary: It is the Partner's responsibility to ensure compliance with all state and federal laws that cover individuals in protected classes (e.g., race, religion, color, marital status, sex, national origin, citizenship, presence of children, disability, gender, age and/or sexual preference because an applicant receives income from a public assistance program, or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act.) Heightened protections for homeowners over 64 years old, such as confirming understanding of financing terms and project specifications, is a focus of the Program. The Partner is responsible for protecting against intended and unintended non-compliance with such standards, and in particular for providing legally unbiased access to, and decisioning of, requests for Program financing.

- 9.1. General. It is the policy of the Program that controls be designed to monitor and test compliance with all state and federal laws covering homeowners in protected classes.
- 9.2. Elders. It is the responsibility of the Partner to develop and implement a program that validates elder homeowner (i.e., homeowners over 64 years old) understanding of the eligible improvement project for which they are seeking Program financing, including the terms of such financing.
- 9.3 Financing Access and Decisioning. It is the responsibility of the Partner to provide legally unbiased access to, and decisioning of, requests for Program participation.

10. CONTRACTOR REQUIREMENTS

Policy Summary: Contractors and their sales persons are one of the primary means through which homeowners become aware of Program participation options. Contractors and their sales persons enter into contracts with the Partner, and register with all relevant state and local licensing boards and agencies. Contractors are required to follow a code of conduct, maintain policies of insurance, post bonds, follow marketing requirements, complete training courses, among other similar obligations, all of which are designed to assure positive and productive homeowner interaction with the Program.

10.1. Policies. It is the policy of the Program that all contractors who sell, install, or manage subcontractors who install, eligible improvements will have executed and that all such contractors and all employees, entities, owners, partners, principals, independent contractors, third party agents or other person who perform any services for the contractor in connection with a Program financing (collectively, the “Affiliated Individuals”) meet the requirements of the Program’s Contractor Participation Agreement, which include:

- 10.1.1. Compliance with the Registered Contractor code of conduct;
- 10.1.2. Maintenance of an active license, and be in good standing, with the California Contractor State License Board (“CSLB”), including compliance with the CSLB (or equivalent agency or program) insurance and bonding requirements;
- 10.1.3. Execution of the Program’s Contractor Participation Agreement only by a person who is listed as an RMO, RME, RMG, RMM, sole owner or qualifying partner with the CSLB and who is authorized to act on behalf of, and who is responsible for the actions of, a Registered Contractor (a “Qualifying Individual”);
- 10.1.4. Oversight and management of employees, independent contractors and subcontractors who provide services to Registered Contractors accessing the Program;
- 10.1.5. Meeting all other state and local licensing, training and permitting requirements;
- 10.1.6. Compliance with the Program’s marketing policies; and
- 10.1.7. Ensuring all Affiliated Individuals register with the Program, including completing the Program’s identity verification procedures.

10.2. New Contractors. Regarding Registered Contractors new to the Program, it is the policy that the Partner:

- 10.2.1. Has a specified probationary period (i.e., place the new Registered Contractors on a watch list) until the new Registered Contractors have completed the required number of Measures;

- 10.2.2. Has procedures in place, during the Registered Contractor probationary period, to provide additional quality assurance steps for Measures completed by the Registered Contractors on the watch list; and
- 10.2.3. Has procedures in place to review Registered Contractor work to confirm satisfactory completion of projects conducted during the probationary period for which Program financing is used.
- 10.3 Contractor Management. It is the policy that the Partner implement contractor management systems and procedures that manage and track contractor training and compliance violations on an individual and company basis.
- 10.4 Contractor Training. It is the policy of the Program that each Partner make available contractor training regarding, at a minimum, the following: (i) the applicable contractor code of conduct terms as required by the Program, (ii) protected classes, including, without limitation, elder protection, and (iii) other consumer protection measures as required by the Program.
- 10.5 Remedial Action. Partners warn, suspend or terminate a Registered Contractor and/or Affiliated Individual from the Program based on violations of the Contractor Participation Agreement. The Program does not accept Program applications processed by suspended or terminated contractors and/or associated representatives.

11. ELIGIBLE PRODUCTS

Policy Summary: The Program enables and encourages homeowners to install Measures on their homes which are designed but not guaranteed to save water or energy. The Program is responsible for implementing practices and controls (e.g., eligible product databases and product confirmation processes) ensuring that financing is used only for eligible Measures, and that it is not provided for ineligible ones. Program product eligibility criteria ensure that property owners are financing improvements which are industry recognized for achieving higher levels of home energy or water efficiency. While the Program is responsible for confirming compliance with the initial capacities of such products, it is not responsible for determining post-installation energy performance, savings or efficacy of such Measures.

- 11.1. Policies. Consistent with the objectives of the PACE enabling legislation, it is the policy of the Program through consultation with the Partner and the Authority to:
 - 11.1.1. Establish and maintain an eligible products database and/or list, documenting the associated eligibility specifications for each product that conform to the requirements outlined in Attachment B hereto;
 - 11.1.2. Define a processes for adding or modifying the eligible product database;
 - 11.1.3. Ensure that eligible product energy efficiency/water efficiency/energy generation (as applicable) performance standards are calibrated and verified using performance criteria that the U.S. Department of Energy, U.S. Environmental Protection Agency, the California Energy Commission and/or other federal and state agencies or other reputable third parties has established;
 - 11.1.4. Use credible third party sources to determine the useful life of the product, which will be used to set the maximum term for the Program's financing; and
 - 11.1.5. Require that the product is new and is permanently affixed to the Property.
- 11.2. Procedures. It is the policy of the Program that the Partner establish procedures confirming that the homeowner applying for Program financing intends to install eligible products, and that at the time of funding such improvements have been installed.
- 11.3. Ineligible Products.
 - 11.3.1. Financing of ineligible products under the Program is prohibited.
 - 11.3.2. Products that are not included on the eligible products list or in the eligible products database can be submitted for review by the Program, if a homeowner has a good faith reason to believe they should have been included.

12. MAXIMUM FINANCING AMOUNT

Policy Summary: Many homeowners often cannot readily access price information regarding the installation of energy efficiency, renewable energy and water conservation improvements for their homes, and cost often is a key economic consideration. While the Program does not set price controls, it implements a maximum financing amount ("MFA") procedure based upon the fair market value of the Measures. In other words, MFA sets the ceiling for amounts that can be financed.

The Program's maximum financing amount policies provide as follows:

- 12.1. It is the policy of the Program to develop maximum financing amounts based on market data and the Partner's experience, but not to set pricing for installation of eligible products and projects. In evaluating project pricing, the Partner takes into account regional factors that may contribute to the pricing of improvements.
- 12.2. It is the policy of the Program that each Partner will, at a minimum, establish an MFA for each product type (e.g. for central air conditioners, solar PV systems, solar thermal systems and artificial turf).
- 12.3. Within each MFA, there is a low to high range of justifiable pricing, depending on the particular product within a product type (e.g. there may be different types of central air conditioners, solar PV systems, solar thermal systems and artificial turf). It is the policy of the Program that each Partner will establish product/project attribute related pricing rules that dictate what pricing within such low to high MFA range is justified.
- 12.4. It is the policy of the Program that each Partner will establish processes and systems for purposes of enforcing the pricing rules (as described in Section 12.3) for every project.
- 12.5. A product may only be funded for an amount that is greater than the MFA for such product if the amount exceeding the MFA is justified by reasonable standards that are validated and documented through processes and systems that are acceptable to the Authority.

13.REPORTING

Policy Summary: Reporting the economic and environmental results of Program participation is essential for the Program, Partners, elected officials, environmental agencies, the investment community, the real estate and mortgage industry and many other stakeholders. Metrics such as economic stimulus dollars invested, greenhouse gas reduction, the number of Measures funded, the amounts funded, renewable energy production and energy savings serve this need. The Partner is responsible for producing, on a quarterly basis, a key metrics report.

- 13.1. Reporting categories. It is the policy of the Program that Program statistics reporting and estimated impact metrics in the following categories be developed and reported quarterly to the stakeholders: (i) number of projects funds, (ii) project amount funded, (iii) estimated amount of energy savings, (iv) estimated amount of renewable energy productions, (v) estimated amount of water savings, (vi) estimated amount of greenhouse gas reductions, and (vii) estimated economic stimulus of dollars invested.
- 13.2. Reporting standards. It is the policy of the Program that all data collected for the quarterly metrics reports be developed and collected using standardized, third party verified methodologies. The methodologies and supporting assumptions and/or sources must be made available to the Authority by the Partner. It is the responsibility of the Partner to develop reports consistent with each of categories listed above and to test and verify the data collection and reporting methods and models used. All reports shall include only aggregate data without the inclusion of any sensitive customer information.

14.CLOSING & FUNDING

Policy Summary: The Program provides limited purpose financing to homeowners, and not general purpose financing that is common among traditional sources of financing. The Program has front-end (e.g., eligible product call-in requirements) and pre-funding (e.g., completion certificates and permits) procedures designed to confirm that their financing dollars are used for permissible purposes. A policy requiring such procedures is essential to protecting the integrity of the Program.

- 14.1. Installation Completion Sign-off. It is the policy of the Program to confirm, before funding, that the eligible products financed are installed, operational and in a condition that is acceptable to the homeowner and the contractor, and to require that the homeowner and the contractor attest to such by signing a document stating that all products have been installed to the homeowner's satisfaction and in accordance with product specifications. It is the responsibility of the Partner to confirm any such document is signed within the maximum allowable installation time as specified by the Program
- 14.2. Permits. It is the policy of the Program for homeowners seeking Program financing to obtain required permits for the installation of Measures and provide verification thereof upon request.
- 14.3. Funding. It is the policy of the Program to fully disburse funds only for projects that are complete.
- 14.4. Recording. It is the policy of the Program to record the Notice of Assessment and Payment of Contractual Assessment Required documentation in a manner consistent with state law.
- 14.5. Asset verification. It is the policy of the Program to confirm that product(s) listed on the Completion Certificate and for which Program financing has been provided have been installed and that the Partner develop and implement a randomized onsite inspection protocol acceptable to the Authority.

ATTACHMENT A
FINANCING SUMMARY

DRAFT

ATTACHMENT B
ELIGIBLE PRODUCTS

DRAFT



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Feasibility study for Western Riverside County on the formation of a Community Choice Aggregation Program

Contact: Barbara Spoonhour, Director of Energy and Environmental Programs,
spoonhour@wrcog.cog.ca.us, (951) 955-8313

Date: November 12, 2015

Requested Action:

1. Discuss and provide direction.
-

Community Choice Aggregation (CCA) allows cities and counties to aggregate their buying power to secure electrical energy supply contracts on a region-wide basis. In California, CCA (Assembly Bill 117) was adopted into law in September 2002, and several local jurisdictions are pursuing formation of CCAs as a way to lower energy costs

A CCA is a program that enables local governments to purchase electricity for its constituents while maintaining the existing electricity provider, Southern California Edison (SCE), for customer billing, transmission and distribution services. A CCA can lead to greener electricity, and usually at a lower rate than what SCE charges its customers.

WRCOG staff has attended a number of workshops and webinars regarding the recent trend in California for local governments to form a CCA. Based on our assessment of the potential financial benefits to jurisdictions that can result from a CCA, staff desires to bring information forward to the WRCOG committees for discussion and direction regarding the potential development and implementation of a CCA for Western Riverside County. If there is interest, staff would work to develop and issue a Request For Proposals (RFP) to have a feasibility study conducted. Once the study is concluded, the results and proposed next steps in the process would be brought back to the WRCOG's committees for further direction.

On September 17, 2015, WRCOG staff provided the WRCOG Technical Advisory Committee (TAC) with a brief presentation regarding the concept of formulating a CCA. There was no discussion on the item due to meeting time constraints. It is staff's intent to provide an additional presentation to the TAC in November 2015 to allow for discussion

Staff has also met with San Bernardino Associated Governments (SANBAG) staff regarding the potential of partnering to have a feasibility study completed for the two regions. SANBAG staff is also in the process of presenting information to its various committees.

There are some CCA's that are operational in California (including the Counties of Marin and Sonoma, and the City of Lancaster). WRCOG and SANBAG staff will be meeting with these jurisdictions in November to gain additional information on how their programs were formed, what barriers arose during the development, what the costs to implement are, how the programs recovered costs, etc.

The following information is presented in a "Frequently Asked Questions (FAQ)" fashion and is intended to provide Committee members with information regarding potential formation of a CCA in Western Riverside County and the steps that would be involved in implementing. A standard FAQ sheet (Attachment 1) is also provided to give the Committee members more general information on CCAs.

Who has implemented CCA's? CCA's have been around for many years but primarily operate on the east coast. Jurisdictions in six states, including California, Illinois, Massachusetts, New Jersey, Ohio, and Rhode Island are currently implementing CCA programs. "Marin Clean Energy" was the first CCA program in California. It started with 14,000 customers three years ago and now has over 165,000 customers. Sonoma County launched a CCA program in 2014, and the City of Lancaster launched its program in May 2015 for its facilities; in October 2015, the program was expanded to residents. The County of Marin launched its program in October, 2015.

A number of jurisdictions in southern California are examining the formation of a CCA, including the Cities of Fontana and San Diego, and the Counties of Los Angeles, San Diego, and Santa Barbara. Most recently, the Los Angeles County Board of Supervisors has instructed its Office of Sustainability to proceed with conducting a feasibility study for a CCA.

What are the benefits to forming a CCA? There are a number of economic and environmental advantages to forming a CCA. These include:

- Offers consumers a choice on the type of energy used
- Provides potentially lower utility rates to consumers
- Provides utility rate stability
- Creates higher renewable content to meet the Governor's Executive Orders and AB 32 requirements
- Stimulates economic development – job creation and procuring local energy projects
- Allows for local control on energy efficiency programs

The Counties of Marin and Sonoma report that their residential customers have saved nearly \$6 million in utility costs combined (Marin in 2014 and Sonoma within the first 7 months of service), and rates are 6% - 9% lower than PG&E. The City of San Rafael reported a \$47,000 savings in utility costs by participating in a CCA, and the West Contra Costa Unified School District projects that it will save over \$60,000 per year in utility costs. Marin County anticipates a \$4.5+ million and Sonoma County anticipates a \$15+ million net increase in revenues for the fiscal year 2015-2016. These two agencies report their cost to administer is approximately 3.5% to 4%.

Additional reasoning for potentially moving forward with the formation of a CCA is that the California Public Utilities Commission (CPUC) recently voted to flatten the current four-tiered electric rate system to two tiers, and to push for time-of-use rates by 2019, as well as the development of a new tariff for new solar customers. It is likely that customers in the Western Riverside subregion will continue to see rising utility rates (perhaps well above the normal 4% per year) for its consumers on a more frequent basis. The creation of a CCA could potentially provide lower utility costs for the consumers in the subregion, especially in the commercial sector, where the cost per kilowatt hour is higher than the residential rates.

What is a feasibility study? As a first step toward the potential formation of a CCA, a feasibility study needs to be conducted. The study would examine the current and projected future utility rate structures, potential customers, costs associated with implementation, infrastructure needs, and the electricity markets (to name a few), and provide recommendations on whether moving forward is favorable.

What is the cost of a feasibility study? The cost could range between \$250,000 and \$400,000, depending on the study size. The County of Los Angeles has set \$300,000 aside to conduct its feasibility study, and the Counties of San Mateo and Sonoma spent approximately \$200,000 for their feasibility studies.

WRCOG staff has been discussing the potential of CCAs with SANBAG staff. SANBAG staff intends on presenting a CCA item for discussion to its Governing Board within the next couple of months to determine if it should move forward on a feasibility study for San Bernardino County. It has been discussed amongst SANBAG and WRCOG staff that if both Governing Boards are in favor of moving forward with a feasibility study, potential cost savings could occur by having both organizations work together to issue a single RFP and selecting one consultant group to conduct the feasibility study.

What is involved and what is the cost in developing a CCA? CCAs must meet certain requirements set by the CPUC. Currently, the County of San Mateo is going through its process to form a CCA and estimates the startup costs to be \$1.5 million. When examining the existing CCAs in the state (Marin and Sonoma Counties), their initial start-up costs were under \$1 million. The County of Alameda, which has a population and housing count similar to the WRCOG subregion (and is in the process of completing its feasibility study), has estimated its startup costs, including the feasibility study, to be approximately \$1.3 million.

While this is a significant investment, the County of Marin was able to re-coup its initial costs within its first two years of operation, and the County of Sonoma has been able to re-coup its initial investment within the first year of operation.

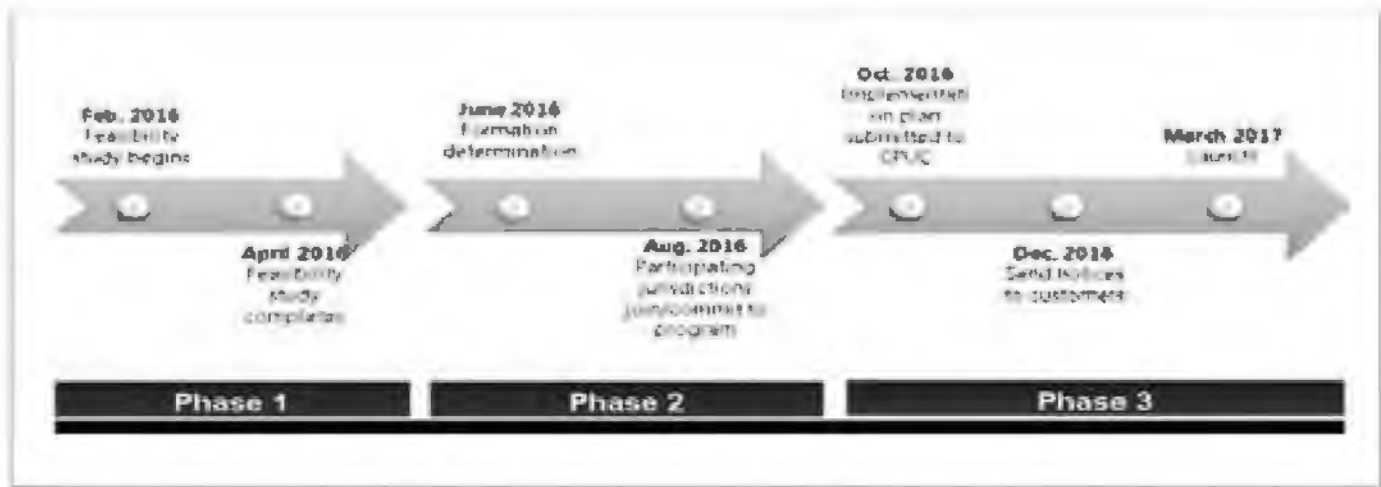
There are three phases to developing and implementing a CCA. These include:

1. Pre-planning and due diligence (Phase 1): This phase is where a feasibility study would be conducted to determine if moving forward with a CCA is favorable, what the potential costs would be to implement, and what the return on investment would be.
2. Community outreach, Joint Powers Authority (JPA) / CCA planning and development (Phase 2): This phase would **only begin if the feasibility study came back favorable** and would include discussions on whether or not WRCOG should use its existing JPA, use a third party vendor to implement, or other alternative.
3. Preparing for launch (Phase 3): This is the final phase including CPUC approval, development of energy purchasing agreements, outreach with customers, etc.

What are the potential costs to WRCOG to begin Phase 1? It is estimated that the costs for Phase 1 (which would be through the remainder of the fiscal year) for WRCOG would be approximately \$45,000. This would include WRCOG staff time (full burden rate) for the development and issuance of a RFP, working with the selected consultant on the feasibility study, meetings with other CCAs, and presenting the feasibility study to WRCOG's Committees. The feasibility study is estimated at \$250,000, but could be lower if WRCOG partnered with SANBAG on a joint study.

What about SCE? SCE will be a key partner in the CCA if it moves forward. The CCA is responsible for buying and/or developing the electricity required to meet the resource demands of its customers. Even with a CCA in place, customers can choose to stay with SCE if they desire. Regardless of energy provider (SCE or CCA), SCE would still retain ownership and management of the pole and wire infrastructure and would continue to handle all line maintenance and power outage issues. If a customer selects to participate in the CCA, that customer would need to pay an exit fee, called the "Power Charge Indifference Adjustment" (PCIA), for the departing load. The exit fee would be examined in the feasibility study and used to calculate the cost effectiveness of implementing a program.

What is the potential timeline? A CCA takes time to implement, roughly 18 to 24 months. WRCOG staff has developed the following estimated timeline for development and implementation.



Prior WRCOG Action:

September 17, 2015: The WRCOG Technical Advisory Committee received report.

WRCOG Fiscal Impact:

Phase 1 estimated at \$295,000.

Attachment:

1. Community Choice Aggregation Frequently Asked Questions.

Item 4.D

Feasibility study for Western
Riverside County on the formation of
a Community Choice Aggregation
Program

Attachment 1

Community Choice Aggregation
Frequently Asked Questions

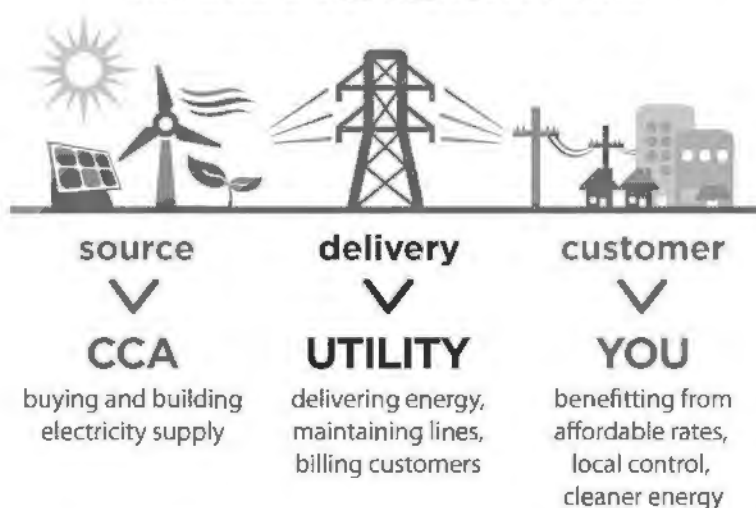
Page Intentionally Left Blank

Community Choice Aggregation (CCA)

Frequently Asked Questions

What is Community Choice Aggregation? Community Choice Aggregation (CCA) is a program that enables city and county governments to pool (or aggregate) the electricity demand of their communities for the purpose of supplying electricity. A CCA buys and/or develops power on behalf of the residents, business, and government electricity users in its jurisdiction. The electricity continues to be distributed and delivered over existing electricity lines owned by the investor-owned utility - Pacific Gas & Electric, Southern CA Edison, or San Diego Gas & Electric. CCA is not permitted in areas where a municipal utility is already providing electric service.

How Local Energy Aggregation Works



How is a CCA administered? In the State of CA, there are currently three options under which a CCA program can be managed. The most common approach is through an inter-jurisdictional joint powers agency (JPA) that serves as a public, non-profit agency on behalf of the municipalities that choose to participate in the CCA program. This is the model under which Marin Clean Energy and Sonoma Clean Power operate. A second option is a single city or county CCA structured through an Enterprise Fund; this is the model under which Lancaster Energy Choice operates. In this option, the CCA is managed “in house” as a separate program/fund within existing municipal operations. A third option involves commercial, third party management where the CCA’s operations are delegated by contract to a private firm. This model is new in California so its risks and benefits are yet to be fully vetted or realized.

It is important to note that regardless of administrative structure, the assets and liabilities of the CCA program remain separate from those of the County or City general funds, and financial liability is mitigated by specific JPA ordinance and vendor contract language that protects municipal assets. In the JPA model, surplus funds generated by the CCA may be reinvested back into the community in the form of new energy projects and programs that serve the entire service area. In the enterprise fund and privately managed models, a portion of revenues may be allocated to the general fund consistent with sound fiscal management practices and laws governing use of ratepayer funds.

How are CCAs funded? All CCAs, once they are operational, are completely ratepayer funded and are not subsidized by taxpayer dollars. Ratepayer revenues for electrical generation that currently flow to the incumbent utility are re-directed to the CCA program, which becomes the

default provider of electrical generation services. Programmatic start-up funding can be provided by a municipal government, a local Agency, grant or private service provider. All start-up funding is recoverable through early program revenues.

Why are so many local governments considering CCA? CCAs provide consumer choice where none currently exists and have also resulted in competitive (so far lower) electrical generation rates.¹ In addition, CCAs provide communities with local control over their energy supply, allowing them to increase the amount of electricity procured from renewable sources, such as solar, wind, and geothermal. CCAs can also develop innovative energy programs tailored specifically to their communities and support the development of local renewable energy and clean tech projects. Finally, CCAs introduce competition into the energy market, which helps drive costs down, stimulate new energy investments, and diversify power choices. Customers in a CCA jurisdiction can choose to stay with the CCA program or return to the utility's generation service at any time; customers always have the power to choose.

What are the economic advantages of CCA? In addition to the potential for customer rate savings and the economic value of ratepayer revenues flowing into your community rather than diffused throughout the utility's service territory, CCAs can accelerate the development of local renewable energy projects and facilitate other energy innovations such as community solar, energy efficiency retrofits, battery storage and EV charging stations to name a few. This translates into the potential for new local services and community benefits as well as significant regional and local jobs creation. It should be noted that renewable energy facilities provide many more jobs per unit of investment than traditional natural gas and coal plants.²

What are the environmental advantages of CCA? CCAs can choose to purchase and develop electricity resources that are cleaner and carbon free. The production and burning of traditional energy sources, such as coal and natural gas, generates large amounts of greenhouse gas (GHG) emissions into the atmosphere. These GHG emissions are a leading cause of pollution, climate change and unhealthy air quality. By substantially changing what is put on the grid on behalf of its customers, CCAs are making a substantial and rapid impact on lowering greenhouse gas reductions and improving environmental quality.

How does this relate to our Climate Action Plan? Many cities and counties now have "Climate Action Plans" that outline various measures that the city or county can take to reduce its GHG emissions and conserve natural resources. In most communities, electricity consumption is the main source of GHG emissions after transportation which ranks slightly higher. Forming or joining a CCA that has a substantially lower emissions rate than the incumbent utility is the single most impactful step a municipality can take to rapidly achieve their climate action goals.

Has this been done in other areas and what are the results? There are three CCA programs up and running in California: MCE Clean Energy (MCE) in Marin and surrounding counties, Sonoma Clean Power (SCP) in Sonoma County, and Lancaster Choice Energy (LCE) in the City of Lancaster. All three CCAs are offering their customers 20-50% more renewable energy than the incumbent utility at prices that are competitive and currently lower than the utility rates. MCE and SCP are also procuring and co-developing in-State and local renewable resources and offering specialized energy programs designed for their local service areas. We expect Lancaster will follow suit as soon as its program is fully implemented; phase I roll-out is in process now.

¹ <http://www.mcecleanenergy.org/residential-rates>; <http://sonomacleanpower.org/for-my-home/rates/>

² Pollin, Robert. 2012. Economic prospects-getting real on jobs and the environment: pipelines, fracking or clean energy? New Labor Forum 21(3):84-87

What is the utility's role? The utility is a key partner in any community choice program. The CCA is responsible for buying and/or developing all the electricity required to meet the resource demands of its customers. Customers who choose to opt-out of the CCA continue to have the utility buy their electricity. All customers, whether they are a part of the CCA not, continue to pay the utility for transmission and distribution services and receive a single, consolidated bill as usual. The only difference between a CCA and utility customer's bill is the source of electricity and a line-item charge for energy generation. The utility retains ownership and management of the pole and wire infrastructure ("the grid") and continues to handle all line maintenance and power outage issues as is currently the case.

What about electric rates? To date, CCA electrical rates have been quite competitive, currently ranging from 3%-10% lower than utility rates. This is dependent on the customer class and the particular CCA option each customer chooses. Current CCAs offer a "default" option that is both cleaner and cheaper than the utility, as well as a voluntary, 100% renewable energy option offered at a rate premium. In addition, CCAs have the added advantage of price stability. While utility rates change several times a year, CCA rates generally adjust once per year, offering a measure of rate stability and certainty for CCA customers. While there is no guarantee that CCA generation rates will always be lower than utility rates, publicly managed CCAs do have the advantage of being non-profit agencies that pay no shareholder dividends, investor returns, high corporate salaries, or income taxes like commercial services or investor-owned utilities, which helps keep costs down.

Are there hidden or new costs? There are no hidden costs but there is a customer exit fee (called the Power Charge Indifference Adjustment or PCIA) paid to the incumbent utility for departing load. This fee is calculated on a vintage, yearly basis and is included on a customer's bill. The PCIA is intended to diminish over time as the utilities no longer need to procure power on a CCA customer's behalf. To date, CCA default rates are lower than utility rates, inclusive of the PCIA exit fee.

How does a CCA procure electricity? A CCA must submit a plan to the California Public Utilities Commission (CPUC) that specifies how it will meet and purchase estimated electricity demand for its service area. Once the plan is certified, CCAs negotiate the purchase of electricity on the open energy market by entering into power purchase agreements (PPAs) with one or more energy providers. These PPAs can be long or short term, with a single or multiple counterparties, depending on the needs of the CCA and type of energy being procured; however, it is recommended that CCAs take the long view in power planning and build diverse power portfolios to hedge supply and market risk over time. A CCA can also sponsor a bidding process whereby project developers can bid to build new electricity sources solely for CCA customers. Through a utility service agreement, the power a CCA procures is transmitted over the utility's power lines.

Do the electrons purchased or generated by the CCA actually go to my house or business? No, when we say that the CCA supplies power to customers, we mean that the CCA puts the same amount of electricity onto the grid that its customers use. When the individual electrons from all power resources go onto the grid no one can determine which electrons go where. Think of it as depositing \$100 into one ATM and withdrawing \$100 from another. It's not the same \$100 bill, but it's still your money. The electrical grid is analogous; if you consume 500 kilowatt-hours in a month, the CCA must supply 500 kWh to the grid on your behalf. The advantage of a CCA is that what is supplied to the grid can be both cleaner and less expensive than what the incumbent utility is putting on the grid.

How is a CCA program set up? Local governments must pass an ordinance to join a CCA program, and the CCA agency must draft an Implementation Plan that is certified by the CA Public Utilities Commission (CPUC). This is typically done after an initial technical study to determine the amount of electricity that will be required, how much clean power can be integrated, and the extent to which a CCA can be cost competitive over time. The Implementation Plan outlines how the CCA will function, how it will set rates, how it will procure electricity, and how it will carry out all other functions required under CPUC regulations.

By law, CCAs are “opt-out” programs. What does that mean? When a county or city decides to create or join a CCA, all customers within that jurisdiction are automatically enrolled in the CCA; in this way, the CCA becomes the community’s default provider of electrical supply. However, every customer can choose to opt-out and return to the incumbent utility for generation service at any time. State law requires that customers receive several customer enrollment notifications just before and just after a CCA program launches. And at any time after that initial launch period, a CCA customer may return to the incumbent utility’s generation service.

What is the governance structure of a CCA? There is no law regulating how the governing body a CCA should be structured, so each CCA is a little different. Most CCAs are governed under a Joint Powers Agreement by a Board of Directors. The Board of Directors is usually comprised of a representative from each member jurisdiction within the CCA service territory. The Board sets the CCA’s policies and electricity rates. A CCA may also have an advisory committee made up of representatives from other stakeholder groups, such as local businesses and community organizations. CCAs also employ a small staff to run the day-to-day operations of the program and interface with CCA customers. As a public program, the CCA process is designed to be very transparent with all meetings and information open to the public.

If I installed solar panels on my home or business, would I need a Power Purchase Agreement to sell our excess energy to a CCA? No. This is called net metering, and the CCA is able to offer property owners fair market rates for their excess energy production without a Purchase Power Agreement, even if that solar installation took place before the CCA launched. CCAs have been able to offer better (retail) net metering rates and cash payments for customers who generate surplus electricity, and those customers would automatically be enrolled into a CCA’s net metering program unless they choose to opt-out. Larger solar projects that are “in front of the meter” can also be facilitated under a CCA’s feed-in-tariff program which uses a standard power contract with set prices to buy all the power generated from that facility on behalf of CCA customers.

What are the risks? As with any enterprise, there are some risks. The good news is that the key risk factors have been well mitigated and continue to receive close monitoring and management. Risks associated with CCA generally fall into four categories: energy market and price risk, customer opt-out risk, regulatory and legislative risk, and political risk.

For More Information...

For information about Marin’s CCA program, go to www.mcccleanenergy.com

For information Sonoma’s CCA program, go to www.sonomacleanpower.org.

For information about Lancaster’s program, go to www.lancasterchoicenergy.org

For general information about CCA in California and nationally, go to www.leanenergyus.org.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Purchase of WRCOG Fleet Vehicle

Contact: Ernie Reyna, Chief Financial Officer, reyna@wrcog.cog.ca.us, (951) 955-8432

Date: November 12, 2015

Requested Action:

1. Discuss and provide direction on the purchase of an Agency fleet vehicle.
-

WRCOG pays mileage reimbursement to its employees at the IRS-approved rate of .575 per mile. During the past few years, this mileage reimbursement to employees has been increasing at a rate of about 5% per year, with Fiscal Year (FY) 2014/2015 totaling \$13,021 and the prior FY at \$12,443 in mileage reimbursements. With these costs likely increasing in future years, staff is exploring whether the purchase of a fleet vehicle would provide cost savings to the Agency.

WRCOG employees drive to various locations within and outside the subregion for matters pertaining to the conduct of Agency business. In reviewing reimbursement claims, trips are usually within a 40-mile radius of WRCOG's office, with the furthest locations being the Cities of Banning and Temecula. Most miles driven, however, are well within the 40 mile radius.

Staff believes that a vehicle purchase would bring savings to the Agency over the course of a few years. Considering that most trips are under 40 miles in length, an electric vehicle (EV) could be utilized and, of course, fuel costs would be eliminated for trips where the EV is utilized. Staff has examined EV prices for a used vehicle; a used Nissan Leaf with less than 15,000 miles can be purchased for approximately \$14,000.

In addition to the price of the vehicle, WRCOG has also examined other vehicle-related costs, including insurance and maintenance. Through a quote received by WRCOG's insurance broker, the approximate price of car insurance for either a plug-in hybrid or an EV would be approximately \$2,000 annually. Maintenance costs for an EV are estimated at \$1,000 annually.

Purchasing an alternative fuel vehicle or an EV would not totally eliminate mileage reimbursements to employees, as there will be occasions when more than one employee will be travelling from the office and will use a personal vehicle. Still, those reimbursements would be significantly reduced compared to current levels, and with those cost savings it is expected that a car could be paid off in just a few years.

Prior WRCOG Action:

None.

WRCOG Fiscal Impact:

A vehicle purchase would come from Agency reserves, and be compensated in budget amendments by commensurate reductions in mileage reimbursements.

Attachment:

None.



Consumer Protections

Consumer Protection Policy

Ygrene strives to do what is right for property owners and is committed to ensuring the highest level of consumer protections and lending practices in the industry. Our Consumer Protection Policy includes the following information:

- Contractor Registration, Training and Certification
- Payment Protection for Property Owners
- Safer, More Flexible Financing Platform
- Consumer Disclosures
- Three-day Right to Cancel
- Energy-efficient Product Verification
- Pricing Controls
- Permit Verification
- Consumer Identity Confirmation
- Protections for Seniors and ESL
- Privacy
- Dispute Resolution

Consumer Disclosures

We have established policies and procedures to ensure property owners are fully informed and educated as to the nature of the financial transaction they are entering into.

The following samples of special notices are provided to help educate property owners about their legal rights and protections, every step of the way, some of which may not be applicable to the County program:

- Notice to Lender of Proposed Special Tax Lien
- Property Owner's Acknowledgment of Sole Responsibility to Deal with Lenders
- Notice of Special Tax Lien
- Financing Agreement / Unanimous Approval Agreement
- Closing Statement (includes all fees, APR/APY, capitalized interest and amortization table)
- Assignment of Rights to Receive Proceeds

Quality Assurance and Control

Ygrene actively manages the internal processes and protocols necessary to maintain the integrity of our Program and provide property owners with the highest level of oversight and protection.

We have incorporated a layered review system to support the financing of energy efficiency, renewable energy, hurricane protection, seismic and water conservation projects through the use of licensed contractors within our Program. This process begins with an extensive evaluation of the contractor's company and personnel, extends to transaction level due diligence, and is followed by post closing quality control. Our goal is to mitigate any risk associated with our business model as early as possible, and to diligently address any potential finding that may create or increase risk for consumers, our government partners or our company.

Contractor Approval and Training

Before contractors can become active within the Program, they must apply, register and comply with all Program requirements before receiving Ygrene Certified Contractor status. This process includes a review of current and historical information on the individual contractor's company and key employees, adherence to industry standards and practices, and validation of all licensures.

Ygrene reviews the status of the contractor's state licensing classifications, bonding information, and workers' compensation, and reviews all other related, active licenses. Ygrene also reviews the posted list of contractor employees to ensure that all active personnel working on behalf of the contractor company are registered and in good standing. Any issues identified on the California State Licensing Board (CSLB) website, including complaints and sanctions,

are reviewed for status and resolution. The existence of active CSLB complaints or sanctions can prevent contractors from Program activation and certification.

All contractors and affiliated personnel undergo Ygrene Certified Training to ensure they are able to accurately support and represent the Program to property owners. Post approval, we periodically review the status of all Certified Contractors and personnel to determine they remain in good standing.

Project Quality Assurance

Contract Eligibility Review After the property owner has approved the project but before Ygrene has authorized a Notice to Proceed, our Operations Team obtains reviews and approves the contract and the measures under application for financing.

The contract (signed by the property owner) must contain the scope of work to be completed, including the specific improvement and its related components, requirements, specifications and associated costs. During the project review and underwriting process, a number of data points are collected several purposes:

- a. Determining eligibility
- b. Ensuring fair and appropriate pricing
- c. Reporting to local government partners, state agencies and other parties

Once the contract is reviewed to ensure it meets acceptable guidelines for energy efficiency, renewable energy, water conservation, seismic or hurricane protection, the project scope and eligibility can be approved and a Notice to Proceed issued to the property owner and the contractor.

Change Orders If improvement measures or costs are changed after a Notice to Proceed has been issued, the contractor must submit a change order to Ygrene for review. Our Operations team will conduct a second contract review to ensure the project remains in compliance with Program eligibility requirements and that the property owner has approved all subsequent measures ahead of the project completion.

Building Department Review Ygrene requires that the contractor to obtain all required building permits prior to beginning a project. Upon project completion, a final inspection and sign off of the permitted work is obtained prior to the project funding. All documents are reviewed and signed by the Ygrene Funding team as part of our pre-funding due diligence.

Phased (Large/ Complex) Projects

Ygrene provides phased payment funding for large, complex projects holding multiple measures and/or requires multiple contractors to complete. All phased payment projects require an inspection by a third party consultant/inspector to ensure that the scope of contracted work was completed as represented, and that the measure or amount of work completed was performed to the agreement and satisfaction of the property owner.

The inspector reviews the signed contract and scope of work, using this information to assess the proposed phases, and monitors the progression of the project to completion. At each inspection point, the inspector provides Ygrene with a report (complete with photos) that details the status of the project and each phased improvement. Our Operations team reviews this information, supports the successful completion of the project, and proceeds to funding in the normal process at each approved project phase.

Property Owner Approval

When the work is complete and the contractor submits a payment request, Ygrene provides the property owner with an Estimated Closing Statement. The property owner acknowledges her approval of satisfaction and completion by electronic signature, authorizing Ygrene to pay the contractor.

Funding Review and Approval

The Ygrene Funding team conducts a final review of all contract documents, site inspections and property owner payment authorizations before proceeding with funding of contractor payment.

Post-Close Audit

Ygrene has developed a post closing quality assurance process with a consulting company that specializes in quality control within the consumer finance, mortgage and banking industries. Our customized quality assurance process requires monthly audits of a randomized minimum sampling of 10% of funded projects to identify potential associated risks to our customers and our business.

During the monthly audit we conduct a complete review to revalidate the accuracy and integrity of system, contract, contractor, underwriting, financing, processes and data. At the conclusion of each monthly audit,

a comprehensive report and summary of recommendations is developed and shared with senior Operations, Sales, Compliance and Executive team members. Our Quality Assurance Team meets regularly to discuss and develop a complete understanding of each month's audit results and to create additional recommendations and action items for follow up. The purpose of this process is to achieve continuous improvement of standards and processes internally, as well as externally, with our partners, vendors and customers.



energy efficiency financing made easy

RESOLUTION NO. _____

**RESOLUTION OF THE [BOARD OF SUPERVISORS/CITY COUNCIL] OF THE
[COUNTY/CITY] OF [_____] CONSENTING TO THE INCLUSION OF
PROPERTIES WITHIN THE TERRITORY OF THE [COUNTY/CITY] IN THE CSCDA
OPEN PACE PROGRAMS; AUTHORIZING THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS
FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT
PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE
TERRITORY OF THE [COUNTY/CITY]; AND AUTHORIZING RELATED ACTIONS**

WHEREAS, the California Statewide Communities Development Authority (the “Authority”) is a joint exercise of powers authority, the members of which include numerous cities and counties in the State of California, including the [County/City] of [_____] (the [“County”/“City”]); and

WHEREAS, the Authority is implementing Property Assessed Clean Energy (PACE) programs, which it has designated CSCDA Open PACE, consisting of CSCDA Open PACE programs each administered by a separate program administrator (collectively with any successors, assigns, replacements or additions, the “Programs”), to allow the financing or refinancing of renewable energy, energy efficiency, water efficiency and seismic strengthening improvements, electric vehicle charging infrastructure and such other improvements, infrastructure or other work as may be authorized by law from time to time (collectively, the “Improvements”) through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code (“Chapter 29”) within counties and cities throughout the State of California that consent to the inclusion of properties within their respective territories in the Programs and the issuance of bonds from time to time; and

WHEREAS, the program administrators currently active in administering Programs are Alliance NRG and Renewable Funding LLC, and the Authority will notify the [County/City] in advance of any additions or changes; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner or owners of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the [County/City] desires to allow the owners of property (“Participating Property Owners”) within its territory to participate in the Programs and to allow the Authority to conduct assessment proceedings under Chapter 29 within its territory and to issue bonds to finance or refinance Improvements; and

WHEREAS, the territory within which assessments may be levied for the Programs shall include all of the territory within the [County’s/City’s] official boundaries; and

WHEREAS, the Authority will conduct all assessment proceedings under Chapter 29 for the Programs and issue any bonds issued in connection with the Programs; and

WHEREAS, the [County/City] will not be responsible for the conduct of any assessment proceedings; the levy of assessments; any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the Programs;

NOW, THEREFORE, BE IT RESOLVED by the [Board of Supervisors/City Council] of the [County/City] of [_____] as follows:

Section 1. This [Board of Supervisors/City Council] hereby finds and declares that properties in the territory of the [County/City] will benefit from the availability of the Programs within the territory of the [County/City] and, pursuant thereto, the conduct of special assessment proceedings by the Authority pursuant to Chapter 29 and the issuance of bonds to finance or refinance Improvements.

Section 2. In connection with the Programs, the [County/City] hereby consents to the conduct of special assessment proceedings by the Authority pursuant to Chapter 29 on any property within the territory of the [County/City] and the issuance of bonds to finance or refinance Improvements; provided, that

(1) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and

(2) The [County/City] will not be responsible for the conduct of any assessment proceedings; the levy of assessments; any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the Programs.

Section 3. The appropriate officials and staff of the [County/City] are hereby authorized and directed to make applications for the Programs available to all property owners who wish to finance or refinance Improvements; provided, that the Authority shall be responsible for providing such applications and related materials at its own expense. The following staff persons, together with any other staff persons chosen by the [_____] of the [County/City] from time to time, are hereby designated as the contact persons for the Authority in connection with the Programs: _____ [specify name of position].

Section 4. The appropriate officials and staff of the [County/City] are hereby authorized and directed to execute and deliver such certificates, requisitions, agreements and related documents as are reasonably required by the Authority to implement the Programs.

Section 5. The [Board of Supervisors/City Council] hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a

potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4).

Section 6. This Resolution shall take effect immediately upon its adoption. The [Clerk of the Board of Supervisors/City Clerk] is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of the Authority at: Secretary of the Board, California Statewide Communities Development Authority, 1400 K Street, Sacramento, CA 95814.

PASSED AND ADOPTED this _____ day of _____, 20__ by the following vote, to wit:

AYES: [Board/Council] Members _____

NOES: [Board/Council] Members _____

ABSENT: [Board/Council] Members _____

ABSTAIN: [Board/Council] Members _____

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

178



FROM: Executive Office

SUBMITTAL DATE:
December 1, 2015

SUBJECT: Adoption of Resolution No. 2015-01 CFD and Adoption of Resolution No. 2015-262, consenting to the inclusion of unincorporated Riverside County properties in the California Home Finance Authority PACE Programs.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution 2015-01 CFD consenting to the inclusion of Properties within the County's unincorporated area in CHF Community Facilities District 2014-1 (Clean Energy) to Finance Renewable Energy Generation, Energy Efficiency, Water Conservation and Electric Vehicle Charging Infrastructure Improvements; and
2. Adopt Resolution 2015-262 consenting to the inclusion of Properties within the County's unincorporated area in the CHF PACE Program to Finance Renewable Energy Generation, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure.

BACKGROUND:

Summary

Riverside County is an associate member of the California Home Finance Authority (CHF), which is in the process of formally changing its name to Golden State Finance Authority and which is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the Act) and Joint Power Agreement entered into (continued)

Alex Gann
Alex Gann
Deputy County Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: N/A				Budget Adjustment: N/A	
				For Fiscal Year: 15/16	

C.E.O. RECOMMENDATION:

APPROVE

BY:

George A. Johnson
George A. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

☐ A-30
☐ 4/5 Vote
☐ Positions Added
☐ Change Order

Prev. Agn. Ref.:

District: All

Agenda Number:

3-42

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Adoption of Resolution No. 2015-01 CFD and Adoption of Resolution No. 2015-262,
consenting to the inclusion of unincorporated Riverside County properties in the California Home
Finance Authority PACE Programs.**

DATE: December 1, 2015

PAGE: 2 of 3

BACKGROUND:

Summary (continued)

on July 1 1993, as amended from time to time (the "Authority JPA").

CHF has established Property Assessed Clean Energy (PACE) financing programs for residential, commercial, industrial and agricultural properties to address high up-front costs for property owners who wish to improve their properties through installation of measures that will generate renewable energy or reduce their energy and water use. CHF's PACE Programs allow construction of these projects through financing the costs over time and stimulates building activity and the overall economy, can reduce peak energy demand, and generate savings on utility bills for property owners.

CHF contracts with YGRENE Energy Fund CA LLC to serve as the program administrator and to operate the Ygrene Works for California PACE financing programs. CHF has established two PACE Programs under legislative authority of two separate California PACE laws:

SB 555 PACE Community Facilities District. SB 555 amended the Mello-Roos Community Facilities Act, set forth in sections 53111 through 53368.3 of the California Government Code to allow for the creation of CFDs for the purpose of financing or refinancing the acquisition, installation, and improvement and energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to private or publicly-owned real property.

Individual properties can be annexed into the district and be subjected to the special tax that is imposed to repay project financing only if (i) the Board adopts a resolution consenting to the inclusion of parcels in the unincorporated areas of the County within the CFD and (ii) each participating owner provides its unanimous written approval for annexation of its property into the PACE CFD.

AB 811 PACE Contractual Assessment Program. This legislation authorized cities and counties to establish voluntary contractual assessment programs for the purpose of financing private property improvements that promote renewable energy generation, energy and water efficiency and electric vehicle charging infrastructure.

As with SB 555 CFD, properties can be annexed into the AB 811 PACE program and be subject to the property tax assessment that is imposed to repay project financing only if (i) the Board adopts a resolution consenting to the inclusion of parcels in the unincorporated areas of the county within the program and (ii) each participating owner consents in writing to the annexation of its property into the PACE program.

The County has previously approved participation in two other PACE programs, the WRCOG HERO Program and the CVAG Clean Energy CV Upgrade Program. Adding the CHF PACE Programs, to be administered to Ygrene, provides additional options for county property owners.

CHF sought and has completed the process of validation of both SB 555 and the AB 811 programs in the Superior Court for the County of Sacramento. Judgment was rendered and entered on July 22, 2015. The 30 day period in which to file an appeal has expired. As of August 25, 2015, the CHF SB 555 PACE program is fully operational. Although CHF is implementing only the SB 555 Program at this time, CHF chose to provide additional offerings if there are changes in markets, legislation or consumer demand.

Impact on Residents and Businesses

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Adoption of Resolution No. 2015-01 CFD and Adoption of Resolution No. 2015-262,
consenting to the inclusion of unincorporated Riverside County properties in the California Home
Finance Authority PACE Programs.**

DATE: December 1, 2015

PAGE: 3 of 3

Approval will provide additional renewable energy funding options to the property owners in western Riverside County. There is a potential stimulus to the business community as this has the potential to increase construction projects.

SUPPLEMENTAL:

Additional Fiscal Information

The passage of these resolutions will not affect county finances.

Contract History and Price Reasonableness

N/A

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6

Recitals

WHEREAS, the California Home Finance Authority, a California joint powers authority, (the "Authority") has established the Community Facilities District No. 2014-1(Clean Energy) in accordance with the Mello-Roos Community Facilities Act, set forth in sections 53311 through 53368.3 of the California Government Code (the "Act") and particularly in accordance with sections 53313.5(l) and 53328.1(a) (the "District"); and

WHEREAS, the purpose of the District is to finance or refinance (including the payment of interest) the acquisition, installation, and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to private or publicly-owned real property (the "Authorized Improvements"); and

WHEREAS, the Authority is in the process of amending the Authority Joint Powers Agreement (the "Authority JPA") to formally change its name to the Golden State Finance Authority; and

WHEREAS, the County of Riverside is committed to the development of renewable energy sources and energy efficiency and water conservation improvements, reduction of greenhouse gases, and protection of the environment; and

1 **WHEREAS**, in the Act, the Legislature has authorized a parcel within the territory of the
2 District to annex to the District and be subject to the special tax levy of the District only (i) if the
3 city or county within which the parcel is located has consented, by the adoption of a resolution
4 by the applicable city council or county board of supervisors, to the inclusion of parcels within its
5 boundaries in the District and (ii) with the unanimous written approval of the owner or owners of
6 the parcel when it is annexed (the "Unanimous Approval Agreement"), which, as provided in
7 section 53329.6 of the Act, shall constitute the election required by the California Constitution;
8 and
9

10 **WHEREAS**, the County wishes to provide innovative solutions to its property owners to
11 achieve energy efficiency and water conservation, and in doing so cooperate with Authority in
12 order to efficiently and economically assist property owners in the County in financing such
13 Authorized Improvements; and
14

15 **WHEREAS**, the Authority has established the District, as permitted by the Act, and the
16 Authority JPA, originally made and entered into July 1, 1993, as amended to date to assist
17 property owners within the unincorporated area of the County in financing the cost of installing
18 Authorized Improvements;
19

20 **NOW, THEREFORE, BE IT RESOLVED THAT:**

21 1. This Board of Supervisors finds and declares that properties in the County's
22 unincorporated area will be benefited by the availability of the Authority CFD No. 2014-1 (Clean
23 Energy) to finance the installation of the Authorized Improvements.
24

25 2. This Board of Supervisors consents to inclusion in the Authority CFD No. 2014-1
26 (Clean Energy) of all of the properties in the unincorporated area within the County and to the

1 Authorized Improvements, upon the request of and execution of the Unanimous Approval
2 Agreement by the owners of such properties when such properties are annexed, in compliance
3 with the laws, rules and regulations applicable to such program; and to the assumption of
4 jurisdiction thereover by Authority for the purposes thereof.

5
6 3. The consent of this Board of Supervisors constitutes assent to the assumption of
7 jurisdiction by Authority for all purposes of the Authority CFD No. 2014-1 (Clean Energy) and
8 authorizes Authority, upon satisfaction of the conditions imposed in this resolution, to take each
9 and every step required for or suitable for financing the Authorized Improvements, provided,
10 however, that the County shall assist in the levying, collecting and enforcement of the special
11 tax lien to finance the Authorized Improvements.

12 4. County staff is authorized and directed to coordinate with Authority staff to
13 facilitate operation of the Authority CFD No. 2014-1 (Clean Energy) within the County, and
14 report back periodically to this Board of Supervisors on the success of such program.

15 5. This Resolution shall take effect immediately upon its adoption. The Clerk of the
16 Board of Supervisors is directed to send a certified copy of this resolution to the Secretary of the
17 Authority.

18
19 Passed and adopted by the Riverside County Board of Supervisors on this ____ day of
_____, 2015.

20
21 _____
Marion Ashley, Chairman
Riverside County Board of Supervisors

22 (SEAL)

23
24 ATTEST:
25 Kecia Harper-Ihem
Clerk of the Board of Supervisors
26 _____

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

RESOLUTION NO. 2015-262

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE COUNTY'S UNINCORPORATED AREA IN THE CALIFORNIA HOME FINANCE AUTHORITY PROGRAM TO FINANCE RENEWABLE ENERGY GENERATION, ENERGY AND WATER EFFICIENCY IMPROVEMENTS AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE THERETO

WHEREAS, the California Home Finance Authority ("Authority") is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the "Act") and the Joint Power Agreement entered into on July 1, 1993, as amended from time to time (the "Authority JPA");
and

WHEREAS, the Authority is in the process of amending the Authority JPA to formally change its name to the Golden State Finance Authority; and

WHEREAS, the Authority has established a property-assessed clean energy ("PACE") program (the "Authority PACE Program") to provide for the financing of renewable energy generation, energy and water efficiency improvements and electric vehicle charging infrastructure (the "Improvements") pursuant to Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29") within counties and cities throughout the State of California that elect to participate in such program;
and

WHEREAS, the County of Riverside (the "County") is committed to development of renewable energy generation and energy and water efficiency improvements, reduction of greenhouse gases, and protection of the environment; and

1 **WHEREAS**, in Chapter 29, the Legislature has authorized cities and counties to assist
2 property owners in financing the cost of installing Improvements through a voluntary contractual
3 assessment program; and
4

5 **WHEREAS**, installation of such Improvements by property owners within the
6 jurisdictional boundaries of the counties and cities that are participating in the Authority PACE
7 Program would promote the purposes cited above; and
8

9 **WHEREAS**, the County wishes to provide innovative solutions to its property owners to
10 achieve energy and water efficiency, and in doing so cooperate with Authority in order to
11 efficiently and economically assist property owners within the unincorporated area of the County
12 in financing such Improvements; and
13

14 **WHEREAS**, Authority has established the Authority PACE Program, which is such a
15 voluntary contractual assessment program, as permitted by the Act, the Authority JPA, originally
16 made and entered into July 1, 1993, as amended to date, and the County is an Associate
17 Member of the JPA, and desires to participate in the programs of the JPA and to assist property
18 owners within the unincorporated area of the County in financing the cost of installing
19 Improvements; and
20

21 **WHEREAS**, the County will not be responsible for the conduct of any assessment
22 proceedings; or the issuance, sale or administration of any bonds issued in connection with the
23 Authority PACE Program.
24
25
26

1 **NOW, THEREFORE, BE IT RESOLVED THAT:**

2 1. This Board of Supervisors finds and declares that properties in the County's
3 unincorporated area will be benefited by the availability of the Authority PACE Program to
4 finance the installation of the Improvements.

5 2. This Board of Supervisors consents to inclusion in the Authority PACE Program
6 of all of the properties in the unincorporated area within the County and to the Improvements,
7 upon the request by and voluntary agreement of owners of such properties, in compliance with
8 the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction
9 thereover by Authority for the purposes thereof.

10 3. The consent of this Board of Supervisors constitutes assent to the assumption of
11 jurisdiction by Authority for all purposes of the Authority PACE Program and authorizes
12 Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every
13 step required for or suitable for financing the Improvements, and the issuance and enforcement
14 of bonds to represent such contractual assessments; provided, however, that the County shall
15 assist in the levying, collecting and enforcement of the contractual assessments to finance the
16 Improvements.

17 4. County staff is authorized and directed to coordinate with Authority staff to
18 facilitate operation of the Authority PACE Program within the County, and report back
19 periodically to this Board of Supervisors on the success of such program.

20 5. This Resolution shall take effect immediately upon its adoption. The Clerk of the
21 Board of Supervisors is directed to send a certified copy of this resolution to the Secretary of the
22 Authority.

23

24

25

26

1 Passed and adopted by the Riverside County Board of Supervisors on this ____ day of
2 _____, 2015.

3
4
5 Marion Ashley, Chairman
Riverside County Board of Supervisors

6
7
8 (SEAL)

9
10 ATTEST:

11 Kecia Harper-Ihem
Clerk of the Board of Supervisors
12 _____
13
14
15
16
17
18
19
20
21
22
23
24
25
26



CONSUMER PROTECTION POLICY



Consumer Protections

Consumer Protection Policy

Vgrene strives to do what is right for property owners and is committed to ensuring the highest level of consumer protections and lending practices in the industry. Our Consumer Protection Policy includes the following information:

- Contractor Registration, Training and Certification
- Payment Protection for Property Owners
- Safer, More Flexible Financing Platform
- Consumer Disclosures
- Three-day Right to Cancel
- Energy-efficient Product Verification
- Pricing Controls
- Permit Verification
- Consumer Identity Confirmation
- Protections for Seniors and ESL
- Privacy
- Dispute Resolution

Consumer Disclosures

We have established policies and procedures to ensure property owners are fully informed and educated as to the nature of the financial transaction they are entering into.

The following samples of special notices are provided to help educate property owners about their legal rights and protections; every step of the way, some of which may not be applicable to the County program:

- Notice to Lender of Proposed Special Tax Lien
- Property Owner's Acknowledgment of Sole Responsibility to Deal with Lenders
- Notice of Special Tax Lien
- Financing Agreement / Unanimous Approval Agreement
- Closing Statement (includes all fees, APR/APY, capitalized interest and amortization table)
- Assignment of Rights to Receive Proceeds

Quality Assurance and Control

Ygrene actively manages the internal processes and protocols necessary to maintain the integrity of our Program and provide property owners with the highest level of oversight and protection.

We have incorporated a layered review system to support the financing of energy efficiency, renewable energy, hurricane protection, seismic and water conservation projects through the use of licensed contractors within our Program. This process begins with an extensive evaluation of the contractor's company and personnel, extends to transaction level due diligence, and is followed by post closing quality control. Our goal is to mitigate any risk associated with our business model as early as possible, and to diligently address any potential finding that may create or increase risk for consumers, our government partners or our company.

Contractor Approval and Training

Before contractors can become active within the Program, they must apply, register and comply with all Program requirements before receiving Ygrene Certified Contractor status. This process includes a review of current and historical information on the individual contractor's company and key employees, adherence to industry standards and practices, and validation of all licenses.

Ygrene reviews the status of the contractor's state licensing classifications, bonding information, and workers' compensation, and reviews all other related, active licenses. Ygrene also reviews the posted list of contractor employees to ensure that all active personnel working on behalf of the contractor company are registered and in good standing. Any issues identified on the California State Licensing Board (CSLB) website, including complaints and sanctions,

are reviewed for status and resolution. The existence of active CSLB complaints or sanctions can prevent contractors from Program activation and certification.

All contractors and affiliated personnel undergo Ygrene Certified Training to ensure they are able to accurately support and represent the Program to property owners. Post approval, we periodically review the status of all Certified Contractors and personnel to determine they remain in good standing.

Project Quality Assurance

Contract Eligibility Review After the property owner has approved the project but before Ygrene has authorized a Notice to Proceed, our Operations Team obtains, reviews and approves the contract and the measures under application for financing.

The contract (signed by the property owner) must contain the scope of work to be completed, including the specific improvement and its related components, requirements, specifications and associated costs. During the project review and underwriting process, a number of data points are collected several purposes:

- a. Determining eligibility
- b. Ensuring fair and appropriate pricing
- c. Reporting to local government partners, state agencies and other parties

Once the contract is reviewed to ensure it meets accotable guidelines for energy efficiency, renewable energy, water conservation, seismic or hurricane protection, the project scope and eligibility can be approved and a Notice to Proceed issued to the property owner and the contractor.

Change Orders If improvement measures or costs are changed after a Notice to Proceed has been issued, the contractor must submit a change order to Ygrene for review. Our Operations team will conduct a second contract review to ensure the project remains in compliance with Program eligibility requirements and that the property owner has approved all subsequent measures ahead of the project completion.

Building Department Review Ygrene requires that the contractor to obtain all required building permits prior to beginning a project. Upon project completion, a final inspection and sign off of the permitted work is obtained prior to the project funding. All documents are reviewed and signed by the Ygrene Funding team as part of our pre-funding due diligence.

Phased (Large/ Complex) Projects

Ygrene provides phased payment funding for large, complex projects involving multiple measures and/or requires multiple contractors to complete. All phased payment projects require an inspection by a third party consultant/inspector to ensure that the scope of contracted work was completed as represented, and that the measure or amount of work completed was performed to the agreement and satisfaction of the property owner.

The inspector reviews the signed contract and scope of work, using this information to assess the proposed phases, and monitors the progression of the project to completion. At each inspection point, the inspector provides Ygrene with a report (complete with photos) that details the status of the project and each phased improvement. Our Operations team reviews this information, supports the successful completion of the project, and proceeds to funding in the normal process at each approved project phase.

Property Owner Approval

When the work is complete and the contractor submits a payment request, Ygrene provides the property owner with an Estimated Closing Statement. The property owner acknowledges her approval of satisfaction and completion by electronic signature, authorizing Ygrene to pay the contractor.

Funding Review and Approval

The Ygrene Funding team conducts a final review of all contract documents, site inspections and property owner payment authorizations before proceeding with funding of contractor payment.

Post-Close Audit

Ygrene has developed a post closing quality assurance process with a consulting company that specializes in quality control, within the consumer finance, mortgage and banking industries. Our customized quality assurance process requires monthly audits of a randomized minimum sampling of 10% of funded projects to identify potential associated risks to our customers and our business.

During the monthly audit we conduct a complete review to validate the accuracy and integrity of system, contract, contractor underwriting, financing, processes and data. At the conclusion of each monthly audit,

a comprehensive report and summary of recommendations is developed and shared with senior Operations, Sales, Compliance and Executive team members. Our Quality Assurance Team meets regularly to discuss and develop a complete understanding of each month's audit results and to create additional recommendations and action items for follow up. The purpose of this process is to achieve continuous improvement of standards and processes internally, as well as externally, with our partners, vendors and customers.



energy efficiency financing made easy

© 2015 Igrene Energy Fund. All Rights Reserved.

CSCDA

Open PACE Consumer Protection Policies

Version 1.0

(Residential PACE Program)

November 30, 2015

OVERVIEW

Property assessed clean energy (“PACE”) programs enable an unprecedented range of homeowners to access energy efficiency, renewable energy, and water efficiency measures that improve the financial, functional and environmental aspects of home ownership. Improvements such as these make homes less costly to operate and more comfortable to live in, while simultaneously reducing energy and water consumption. Without PACE Programs many homeowners would have no, or costly, access to such benefits.

PACE Programs (“PACE Programs” or the “Program”), including the government authority sponsoring and administering them (“Authority”, Program Administrator” or “Administrator”) and, where applicable, the entity or entities who help implement them (“Partner”), deliver tools and resources that enable homeowners to make smart, informed and responsible choices regarding such measures (“Measures”). Appropriate use of such tools is the responsibility of all Programs, which means that care needs to be taken with homeowners before, during and after origination of Program financing. In other words, consumer protections that serve homeowners must be a core value of the Program, the Authority and the Partner. In this document, “Partner” refers to the government authority in all cases where the Program does not include a third party non-government partner.

The baseline consumer protection policies of the Program cover the following areas: (i) Risk, (ii) Disclosures and Documentation, (iii) Financing Terms, (iv) Operations, (v) Post-Funding Support, (vi) Data Security, (vii) Privacy, (viii) Marketing and Communications, (ix) Protected Classes, (x) Contractors, (xi) Eligible Products, (xii) Pricing, (xiii) Reporting, (xiv) Closing & Funding and (xv) Examination. These Policies provide homeowners with a greater level of consumer protection than any other form of financing. They also guide the Program’s implementation, enabling the transformation of its potential into tangible benefits for homeowners.

1. RISK

***Policy Summary:** The Program blends traditional credit risk considerations together with statutory requirements and legislative policy to develop risk criteria that are fitted to the Program. These criteria take into account the unique risk profile that this form of financing presents to enable qualifying homeowners to access it. While this process will exclude unqualified homeowners and properties, special consideration has been given to developing inclusive standards. These criteria examine four key attributes of every financed project: (i) the real property on which the improvements will be installed (“Property” or “Properties”), (ii) the encumbrances presently recorded against the Property, (iii) the nature of the improvements to be installed; and (iv) the homeowner’s mortgage and property tax payment history.*

- 1.1. Properties. Consistent with foundational considerations, it is the policy of the Program to make the Program available to the entirety of the existing residential housing stock in political boundaries of the Program. Properties for which this form of financing is not available include: (i) commercial properties (including residential properties comprising four (4) or more units), (ii) new properties under construction and (iii) tax exempt properties (properties not subject to levy), such as tribal, non-profit or state-owned residential properties. If requested in good faith by the homeowner applying for the Program, the Partner is responsible for completing a “second look” eligibility review of all applications related to properties initially determined to be excluded, re-examining the specific attributes of the Property in question and confirming or modifying the original determination.
- 1.2. Encumbrances. The encumbrance profile of Properties is an important element of the decisioning process for Program participation. The Program is designed to harness unused financing capacity of homes in which eligible improvements are installed. Such financing is inappropriate if it burdens Properties and their owners too greatly. Accordingly, Properties eligible for Program financing will have the following attributes:
 - 1.2.1. All mortgage-related debt on the Property may not exceed 90% of the Property’s fair market value (“FMV”), or assessed value if market value data is unavailable or unreliable, at the time of initial approval;
 - 1.2.2. Reliability of the Program FMV model should be verified through an accepted and regular audit process, sampling appraisal data as a means of measurement and verification;
 - 1.2.3. The financing may not exceed (i) fifteen percent (15%) of the FMV of the Property, up to the first seven hundred thousand dollars (\$700,000) of the Property’s FMV, and (ii) ten percent (10%) of the remaining value of the Property above seven hundred thousand dollars (\$700,000);
 - 1.2.4. The total mortgage-related debt on the underlying Property plus Program financing

may not exceed the FMV of the Property; and

1.2.5. The total amount of any annual property taxes and assessments shall not exceed five percent (5%) of the Property's FMV, determined at the time Program financing is approved.

1.3. Eligible Improvements. The Program provides financing for a broad range of eligible products and projects permanently-affixed to the Property, the details of which are set forth in Section 11 below. The Program is not available to finance ineligible products and projects, which comprise everything not specified in Section 11. While the Program is responsible for confirming compliance with the Section 11 requirements, it is not responsible for determining post-installation energy performance, savings or efficacy of such products or projects. The Program relies on U.S. Department of Energy, the Environmental Protection Agency and other government agencies in determining what constitutes an Eligible Improvement.

1.4. Homeowners. PACE Program assessments appear as line items on property tax bills and homeowners repay their financing when they pay their property tax bills. The mortgage and property tax payment history of homeowners of record thus is an important decisioning element of Program eligibility criteria. Accordingly, at the time of application, homeowners eligible for Program financing will have status and payment histories that are consistent with the following:

1.4.1. The Applicants are the owners of record;

1.4.2. Property tax payments for the assessed Property are current. Additionally, the homeowner must certify that there is no more than one late payment for the shorter of (i) the previous three years, or (ii) since the present homeowner acquired the Property;

1.4.3. Homeowner(s) are current on all mortgage debt, and have been late on such payments no more than once (30 days maximum) during the 12-month period preceding funding;

1.4.4. No homeowner applicant has had any active bankruptcies within the last 7 years; provided, however, that this criterion can be met if a homeowner's bankruptcy was discharged between two and seven years before the application date, and the homeowner(s) have had no payments (mortgage and non-mortgage) past due for more than 60 days in the most recent 24 months; and

1.4.5. Homeowner(s) have no involuntary lien(s) recorded against the Property in excess of \$1,000.

2. DISCLOSURES & DOCUMENTATION

Policy Summary: The documentation of the Program gives it shape, integrity and enforceability. Program participation documentation embodies principles key to the Program such as clarity, fairness, compliance, disclosure, knowledge and completeness. A reader who has spent time with the documentation should develop an unambiguous understanding of each and every right, risk and obligation associated with the Program's financing product. PACE is a new form of financing that, while sharing some features of traditional financing, presents new considerations for homeowners. Disclosures covering Program financing's unique repayment cycle (annual or semiannual) and the Federal Housing Finance Authority announcement regarding payoff of Program financing at the time of sale or refinance are among the new considerations. Best practices counsel the Program to disclose traditional financing terms (e.g., interest rates, financing term, payment amounts) as well. In the end, a homeowner who understands the Program's disclosures will be informed and have a clear understanding of the Program's traditional and non-traditional features.

- 2.1. Document timing. Before commencement of any Program-financed project, a homeowner needs to: (i) submit an application; (ii) receive approval of the Measures from the Partner; and (iii) execute documentation covering the terms described in this Section and in the Disclosures summarized in this Section. Following construction of the Measures, a homeowner needs to: (i) execute an acknowledgement that the installation of the Measures has been completed satisfactorily; and (ii) receive a final summary of costs and payments. Delivery to, and execution of all such documentation by, the homeowner is the responsibility of the Partner.
- 2.2. Terms. Terms that are fundamental to the Program and that need to be reflected in its documents comprise: (i) the amount financed, fees and capitalized interest included, (ii) the repayment process and schedule, (iii) the payment amounts, (iv) a term that does not exceed the useful life of the improvements, (v) the rate of interest charged, (vi) a rate of interest that is fixed (not variable), (vii) a payment schedule that fully amortizes the amount financed, (viii) the nature of the lien created upon recordation, (ix) the specific improvements to be installed, (x) the 3-day right to cancel the financing, (xi) the right to withhold approval of payment until the project is complete, and (xii) Section 5899.2 rights for solar lease improvements. It is the responsibility of the Partner to prepare, deliver and arrange for execution of documents reflecting such terms.
- 2.3. Disclosures Policies. Disclosures heighten homeowner's awareness of key program financing terms and risks that appear in the Program terms and documentation. It is the policy of the Program that Partners confirm delivery to, and receipt by, homeowners of

these disclosures, and obtain written acknowledgement that homeowners have read and understand them. The following comprise the key disclosures of the Program provided by Partners in a financing summary in the form attached hereto as Attachment A.

Disclosures	Description
Term of financing	The maximum time period of the financing
Amount financed	The total amount financed, including fees and capitalized interest
Annual payment amount	The amount due each year, even if paid in semi-annual installments or through impound payments
Annual interest rate/APR	The effective interest rate after taking into account all fees and capitalized interest
Improvements financed	The Measures installed
FHFA risks	The risk that the homeowner may need to pay off the PACE assessment at the time of sale or refinance
Right to cancel	The 3-day right to rescind the financing
Prepayment	The right to prepay the Program financing without penalty

The following comprise additional key disclosures of the Program provided by Partners.

Disclosures	Description
Program overview	A document or section of a document that provides a comprehensive summary of the Program, including a summary of a homeowner's rights and obligations
Property tax repayment process	Payment of a homeowner's property tax bill that will include a line item related to the installed Measures
Tax benefits	Benefits associated with the purchase of certain Measures and the annual payments related to them.
Privacy	A notice describing the privacy policies of the Program
Federal disclosures	Those appearing in the Program application
Foreclosure	The foreclosure process in the event of a homeowner default

2.4 Confirmation of Terms. For all Program financing applications associated with contractors that are either new to the Program or are on a Partner's "watch list" (i.e. those contractors that are not "Top Rated Contractors" defined below), it is the policy of the Program that such Partner confirm live by telephone with the homeowner applicant each Program financing term listed in (b)-(g) of this Section 2.4 below. These confirmation requirements do not apply to contractors who have reached the Partner's top rating category (the "Top Rated Contractors"). For Top Rated Contractors, it is the policy of the Program that the Partner conduct randomized calls to homeowners to confirm financing terms.

Notwithstanding the above, irrespective of the contractor with whom the Program financing is associated, it is the policy of the Program that the Partners confirm live by telephone for each applicant who is over 64 years old the Program financing terms listed in (a)-(g) of this Section 2.4 below, and any other special categories of homeowners as designated by the Program. For avoidance of doubt, for homeowners over 64 years old, a voicemail message does not satisfy the requirement of Program financing term confirmation under this Section 2.4.

When confirming terms of a Program financing with a homeowner, the Partners will request the homeowner to describe generally the improvement(s) being financed using the Program financing, and will ascertain that the homeowner understands:

- (a) The reason for the specific improvement(s) being obtained by such homeowner.
- (b) His or her total estimated annual payment.
- (c) The date his or her first tax payment will be due.
- (d) The term of the Program financing.
- (e) Any additional fees (including recording fees) that will be charged to him or her.
- (f) That payments for the Program financing will be added to his or her property tax bill and will cause the property tax bill to increase.
- (g) That he or she may make payments on the Program financing either directly to the county assessor's office or through his or her mortgage impound account.

3. FUNDING

Policy Summary: *PACE is a new form of financing that, while sharing some features of traditional financing, presents new considerations for financing capital sources and structures. Best practices counsel the Program to proactively solicit feedback from Program stakeholders and homeowners and incorporate learnings into policy improvements which benefit homeowners.*

Interest Rates. It is the policy of the Program that the Partner offers fixed simple interest rates, and payments that fully amortize the obligation. Variable interest rates or negative amortization financing terms are not permitted.

Sustainable funding source. It is the policy of the Program that Partners establish a sustainable source of capital for funding PACE financed projects separate from the Authority's general fund or budget and have access to capital markets to ensure funding of qualified projects is available on a consistent basis. A Partner must demonstrate the capacity to fund assessments that the Administrator anticipates originating through such Partner over the six (6) month period immediately following the Administrator's review of such Partners' financial statements.

Subordination. The Program is not required but may offer the capability to accommodate homebuyers and homeowners by offering subordination of certain rights of its PACE assessment lien to the lien of a mortgage or deed of trust. The subordination may provide the lien under a mortgage or deed of trust with senior rights such that the lender will be induced to make a loan on a PACE-assessed property. The subordination option may be made available to homebuyers and homeowners in accordance with policy agreed upon by the Authority and the Partner.

Contractor fees. It is the policy of the Program that Partners can only charge fees to contractors offering Program financing as long as Partners (i) clearly and conspicuously disclose such fees to homeowners and (ii) require that contractors absorb such obligations and not pass such fees on to homeowners.

4. OPERATIONS

Policy Summary: *Operations delivers the Program to homeowners. Operations commercializes, productizes and draws on the work completed in a broad range of disciplines by the Partner or its Partner, such as sales, training, risk, contractor engagement, municipal engagement, accounting, finance, legal, capital markets, compliance, business development, marketing, government affairs and corporate development. While each operating unit incorporates thoughtful and highly effective consumer protections in the work it produces, Operations is the gatekeeper responsible for assuring that the Program has the people, processes, tools and technology necessary to deliver to homeowners the Program financing product, as well as the consumer protections described in these Policies.*

Operational consumer protection policies. It is the policy of the Program that the Administrator and its Partner develop and provide people, processes, tools and technology necessary to support the consumer protection measures described in detail elsewhere in this policy, including: (i) risk and underwriting processes; (ii) terms and documentation delivery systems; (iii) documentation, maintenance and retrieval processes; (iv) disclosure development, delivery and acknowledgment receipt; (v) post-funding support for homeowners and other stakeholders such as real estate professionals; (vi) data security measures; (vii) privacy policy development and protections; (viii) marketing and communication oversight; (ix) protected class data and communication processes; (x) contractor management and engagement; (xi) eligible product database and/or list development and maintenance; (xii) implementation of the maximum financing amounts; (xiii) key metrics reporting; (xiv) closing and funding processes (including the ability to fulfill financing obligations); (xv) examination data production; and (xvi) implementation of procedures to identify and prohibit conflicts of interest within and associated with the Program.

5. POST-FUNDING HOMEOWNER SUPPORT

Policy Summary: A public/private partnership is at the core of the Program. This partnership carries with it elevated consumer protection responsibilities that apply to the Program with as much significance during the post-funding period as they do during the time of application and origination. Establishing and operating an executive office responsible for customer care that responds to inquiries, complaints, contractor and workmanship concerns, product performance questions and related matters for the lifecycle of the improvements financed is fundamental to the consumer protections that the Program provides.

- 5.1. Proactive Engagement. It is the policy of the Program that the Partner and its Partner proactively to monitor and test the consumer protections delivered to homeowners, and to request feedback from homeowners and contractors to identify areas in need of improvement.
- 5.2. Onboarding. It is the policy of the Program that Partners develop and implement a post-installation onboarding procedure to reinforce key characteristics of the Program, such as those highlighted in the Program disclosures.
- 5.3. Payments. It is the policy of the Program that the Partner have disclosures and resources in place to resolve homeowner questions regarding matters such as impound account catch up payments, payment timing inquires and payment amount reconciliation. It is also the policy of the Program that the Partner implement procedures for responding to requests for partial or full prepayment of their PACE property tax assessment in a timely and complete manner.
- 5.4. Inquiries and complaints. It is the policy of the Program that the Partner receive, manage, track, timely resolve, and report on all inquiries and complaints from homeowners. This policy contemplates development of a team with the skills necessary to perform inspections, meet with homeowners and contractors, investigate matters, and mediate resolutions with homeowners and contractors. The Partner must proactively work to resolve inquiries and complaints in a reasonable and timely manner and in accordance with the Program guidelines and must make communication for homeowners available during regular business hours by phone, email and facsimile communication.
- 5.5. Real estate transactions. It is the policy of the Program that the Partner develop capabilities to assist homeowners who are refinancing or selling their Properties. The Partner must support real estate professionals providing services to refinance and sales transactions for properties with PACE assessments.

6. DATA SECURITY

***Policy Summary:** Trust is fundamental to any financing relationship, and Program financing is no exception. The public/private partnership at the center of the Program, as well as the confidential relationship homeowners have with the Program Partner mandate that any market-ready Program be in robust compliance with sturdy cyber-security standards, and in particular develop secure and tested processes that protect homeowner personal identifiable information at points of potential vulnerability, especially during the application process.*

6.1. **Information systems.** It is the policy of the Program that the Partner develop and comply with secure and tested processes to protect the personal identifiable information of the homeowner described in Section 7 below. Such secure and tested processes should, at a minimum, include:

- 6.1.1. A cyber-security policy and protocol that, at a minimum, requires data encryption “during transmission” and “at rest,” and compliance with sturdy cyber-security standards.
- 6.1.2. The Partner is responsible for controlling access to information, based upon, job function and need-to-know criteria.
- 6.1.3. The Partner is responsible for taking security measures that protect the security and confidentiality of consumer records and information in proportion to the sensitivity of the information, including, without limitation, requiring all computers and other devices containing any confidential consumer information to have all drives encrypted with industry standard encryption software.
- 6.1.4. The Partner is responsible for monitoring and logging all remote access to its systems, whether through VPN or other means.
- 6.1.5. Data security policies are subject to auditing and penetration testing conducted by an independent auditor hired by the Authority at least annually and any time a change is made that may have any potential impact on the servers, security policies or user rights.
- 6.1.6 The Partner is responsible for ensuring minimum viable configurations are in place on all servers. All firewalls should have continuous logging enabled. In addition, access control lists and audited server configurations should be used to ensure that data security is maintained.

6.2. **Personnel.**

- 6.2.1. The Partner is responsible for informing and enforcing the compliance with the Program’s data privacy and security policies on the part of every employee, contractor, vendor, agent, service provider, representative, and associate who is exposed to personal identifiable information of homeowners.

6.2.2. The Partner is responsible for implementing protections and controls to prevent unauthorized copying, disclosure, or other misuse of sensitive consumer information.

7. PRIVACY

Policy Summary: The trusting and confidential relationship that exists between homeowners and Program extends to the Partner's use of homeowner data. Compliance with the Gramm- Leach- Bliley Act as well as the establishment of clear opt-in and opt-out protocols for information sharing are the pillars of the Program's privacy policy. More broadly, Program must protect and manage sensitive consumer information, must respect the privacy of all homeowners, and must implement robust controls to prevent unauthorized collection, use and disclosure of such information.

The following summarizes the Program's privacy policy:

- 7.1. Privacy policy. The Program obtains sensitive consumer information from homeowners as part of the application process for Program participation or through other homeowner touch points with the Program. It is the policy of the Program that the Partner develops and delivers to homeowners who apply for the Program or who otherwise provide personal identifiable information (e.g., full name, home address, social security numbers, date of birth,) a privacy policy that complies with state and federal law (e.g., the Gramm-Leach-Bliley Act) and, in particular, prohibits sharing with third parties personal identifying information of homeowners without the homeowners' express authorization except where expressly permitted by state and federal law. Such privacy policy will cover (i) the sources from which sensitive consumer information is obtained, (ii) the Partner's use of sensitive consumer information, and (iii) a mechanism by which a consumer may opt-out of sharing information. The Partner will deliver to homeowners any updates to such privacy policies.
- 7.2. Application process. It is the policy of the Program that all personal identifying information provided by a homeowner to the Partner during the application process is provided directly by the homeowner to the Partner. The Partners will establish processes and controls to ensure that personal identifiable information of a homeowner is obtained directly from such homeowner (or his verifiable legal representative or attorney in fact) and not from a contractor or other third party.

8. MARKETING & COMMUNICATIONS

Policy Summary: Clear, informative, truthful, balanced, transparent and complete communications are essential for the Program. The stakeholders of any Program include (without limitation) homeowners, contractors, the Authority, government officials and staff, investors, finance partners, real estate professionals and lenders. Communications, acts and practices that mislead stakeholders add ineligible expense to PACE financing or to the Program, abuse stakeholders, and otherwise fail to meet the core communication standards of appropriateness for the Program and are not acceptable.

- 8.1. Prohibited practices. It is the policy of the Program to prohibit practices that are or could appear to be unfair, deceptive, abusive, and/or misleading, that violate laws or regulations, that provide tax advice, that are inappropriate, incomplete or are inconsistent with the Program's purpose (e.g., use of check facsimiles to dramatize the amount of PACE Program financing available or presented as if a negotiable instrument). Marketing practices that are likely to add unnecessary expense to a homeowner (e.g., paying consumers for applications), that unlawfully use sensitive consumer data or that violate any other law or regulation (including, for example, practices related to telemarketing) are prohibited.
- 8.2. Permitted practices. It is the policy of the Program to adhere to all legal and regulatory requirements (e.g., telemarketing) pertaining to its advertising and marketing efforts. On the basis of providing clear and concise communication to consumers, any practice that promotes informed decisioning on the part of homeowners and is not prohibited as described in section 8.1 above is permitted. The Partner is responsible for developing, delivering to and enforcing marketing guidelines for the Program's Registered Contractors. Any marketing materials that fall outside of marketing guidelines established must be approved by the Partner to ensure that they are not unfair, deceptive, abusive and/or misleading.
- 8.3. Tax advice. It is the policy of the Program that no Partner, contractor or third party (who is not a tax expert) may provide tax advice to consumers regarding their Program financing which includes making affirmative statements or claims as to the tax deductibility of the payments. Homeowners are encouraged to seek the advice of an expert regarding tax matters related to the Program. The Program shall monitor and test the sales practices of employees and contractors to confirm adherence to the policy set forth in this Section 8.3.
- 8.4. Payments in Exchange for Financing. It is the policy of the Program that no Partner, contractor or Affiliated Individual may provide a direct cash payment or other thing of value to a homeowner explicitly in exchange for such homeowner's selecting Program

financing. For avoidance of doubt, the limitations provided in this Section 8.4 are not intended to prevent the Program from offering to homeowners, contractors or Affiliated Individuals promotions that are not explicitly part of the exchange referred to in the preceding sentence.

9. PROTECTED CLASSES

Policy Summary: It is the Partner's responsibility to ensure compliance with all state and federal laws that cover individuals in protected classes (e.g., race, religion, color, marital status, sex, national origin, citizenship, presence of children, disability, gender, age and/or sexual preference because an applicant receives income from a public assistance program, or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act.) Heightened protections for homeowners over 64 years old, such as confirming understanding of financing terms and project specifications, is a focus of the Program. The Partner is responsible for protecting against intended and unintended non-compliance with such standards, and in particular for providing legally unbiased access to, and decisioning of, requests for Program financing.

- 9.1. General. It is the policy of the Program that controls be designed to monitor and test compliance with all state and federal laws covering homeowners in protected classes.
- 9.2. Elders. It is the responsibility of the Partner to develop and implement a program that validates elder homeowner (i.e., homeowners over 64 years old) understanding of the eligible improvement project for which they are seeking Program financing, including the terms of such financing.
- 9.3 Financing Access and Decisioning. It is the responsibility of the Partner to provide legally unbiased access to, and decisioning of, requests for Program participation.

10. CONTRACTOR REQUIREMENTS

Policy Summary: Contractors and their sales persons are one of the primary means through which homeowners become aware of Program participation options. Contractors and their sales persons enter into contracts with the Partner, and register with all relevant state and local licensing boards and agencies. Contractors are required to follow a code of conduct, maintain policies of insurance, post bonds, follow marketing requirements, complete training courses, among other similar obligations, all of which are designed to assure positive and productive homeowner interaction with the Program.

- 10.1. Policies. It is the policy of the Program that all contractors who sell, install, or manage subcontractors who install, eligible improvements will have executed and that all such contractors and all employees, entities, owners, partners, principals, independent contractors, third party agents or other person who perform any services for the contractor in connection with a Program financing (collectively, the “Affiliated Individuals”) meet the requirements of the Program’s Contractor Participation Agreement, which include:
 - 10.1.1. Compliance with the current Registered Contractor code of conduct, a sample of which is attached hereto as Attachment B or other code of conduct that embodies the principles outlined in Attachment B;
 - 10.1.2. Maintenance of an active license, and be in good standing, with the California Contractor State License Board (“CSLB”), including compliance with the CSLB (or equivalent agency or program) insurance and bonding requirements;
 - 10.1.3. Execution of the Program’s Contractor Participation Agreement only by a person who is listed as an Responsible Managing Owner (“RMO”), Responsible Managing Employee (“RME”), Responsible Managing Manager (“RMG”) , Responsible Managing Member (“RMM”), sole owner or qualifying partner with the CSLB and who is authorized to act on behalf of, and who is responsible for the actions of, a Registered Contractor (a “Qualifying Individual”);
 - 10.1.4. Oversight and management of employees, independent contractors and subcontractors who provide services to Registered Contractors accessing the Program;
 - 10.1.5. Meeting all other state and local licensing, training and permitting requirements;
 - 10.1.6. Compliance with the Program’s marketing policies; and
 - 10.1.7. Ensuring all Affiliated Individuals register with the Program.
- 10.2. New Contractors. Regarding Registered Contractors new to the Program, it is the policy that the Partner:

- 10.2.1. Has a specified probationary period (i.e., place the new Registered Contractors on a watch list) until the new Registered Contractors have completed the required number of Measures;
- 10.2.2. Has procedures in place, during the Registered Contractor probationary period, to provide additional quality assurance steps for Measures completed by the Registered Contractors on the watch list; and
- 10.2.3. Has procedures in place to review Registered Contractor work to confirm satisfactory completion of projects conducted during the probationary period for which Program financing is used.
- 10.3 Contractor Management. It is the policy that the Partner implement contractor management systems and procedures that manage and track contractor training and compliance violations on an individual and company basis.
- 10.4 Contractor Training. It is the policy of the Program that each Partner make available contractor training regarding, at a minimum, the following: (i) the applicable contractor code of conduct terms as required by the Program, (ii) protected classes, including, without limitation, elder protection, and (iii) other consumer protection measures as required by the Program.
- 10.5 Remedial Action. Partners warn, suspend or terminate a Registered Contractor and/or Affiliated Individual from the Program based on violations of the Contractor Participation Agreement. The Program does not accept Program applications processed by suspended or terminated contractors and/or associated representatives.

11. ELIGIBLE PRODUCTS

Policy Summary: The Program enables and encourages homeowners to install Measures on their homes which are designed but not guaranteed to save water or energy. The Program is responsible for implementing practices and controls (e.g., eligible product databases and product confirmation processes) ensuring that financing is used only for eligible Measures, and that it is not provided for ineligible ones. Program product eligibility criteria ensure that property owners are financing improvements which are industry recognized for achieving higher levels of home energy or water efficiency. While the Program is responsible for confirming compliance with the initial capacities of such products, it is not responsible for determining post-installation energy performance, savings or efficacy of such Measures.

- 11.1. Policies. Consistent with the objectives of the PACE enabling legislation, it is the policy of the Program through consultation with the Partner and the Authority to:
 - 11.1.1. Establish, and maintain an eligible products database and/or list, documenting the associated eligibility specifications for each product that conform to the requirements outlined in Attachment C hereto;
 - 11.1.2. Define a process for adding or modifying the eligible product database;
 - 11.1.3. Ensure that eligible product energy efficiency/water efficiency/energy generation (as applicable) performance standards are calibrated and verified using performance criteria that the U.S. Department of Energy, U.S. Environmental Protection Agency, the California Energy Commission and/or other federal and state agencies or other reputable third parties has established;
 - 11.1.4. Use credible third party sources to determine the useful life of the product, which will be used to set the maximum term for the Program's financing; and
 - 11.1.5. Require that the product is permanently affixed to the Property.
- 11.2. Procedures. It is the policy of the Program that the Partner establish procedures confirming that the homeowner applying for Program financing intends to install eligible products, and that at the time of funding such improvements have been installed.
- 11.3. Ineligible Products.
 - 11.3.1. Financing of ineligible products under the Program is prohibited.
 - 11.3.2. Products that are not included on the eligible products list or in the eligible products database can be submitted for review by the Program, if a homeowner has a good faith reason to believe they should have been included.

12. MAXIMUM FINANCING AMOUNT

Policy Summary: Many homeowners cannot readily access price information regarding the installation of energy efficiency, renewable energy and water conservation improvements for their homes, and cost often is a key economic consideration. While the Program does not set price controls, it implements a maximum financing amount ("MFA") procedure based upon the fair market value of the Measures. The MFA sets the ceiling for amounts that can be financed.

The Program's maximum financing amount policies provide as follows:

- 12.1. It is the policy of the Program to develop maximum financing amounts based on market data and the Partner's experience, but not to set pricing for installation of eligible products and projects. In evaluating project pricing, the Partner takes into account regional factors that may contribute to the pricing of improvements.
- 12.2. It is the policy of the Program that each Partner will, at a minimum, establish an MFA for each product type (e.g. for central air conditioners, solar PV systems, solar thermal systems and artificial turf).
- 12.3. Within each MFA, there is a low to high range of justifiable pricing, depending on the particular product within a product type (e.g. there may be different types of central air conditioners, solar PV systems, solar thermal systems and artificial turf). It is the policy of the Program that each Partner will establish product/project attribute related pricing rules that dictate what pricing within such low to high MFA range is justified.
- 12.4. It is the policy of the Program that each Partner establish processes and systems for purposes of enforcing the MFA rules (as described in Section 12.3) for every project.
- 12.5. A product may only be funded for an amount that is greater than the MFA for such product if the amount exceeding the MFA is justified by reasonable standards that are validated and documented through processes and systems acceptable to the Authority.

13.REPORTING

Policy Summary: Reporting the economic and environmental results of Program participation is essential for the Program, Partners, elected officials, environmental agencies, the investment community, the real estate and mortgage industry and many other stakeholders. Metrics such as economic stimulus dollars invested, greenhouse gas reduction, the number of Measures funded, the amounts funded, renewable energy production and energy savings serve this need. The Partner is responsible for producing, on a quarterly basis, a key metrics report.

- 13.1. Reporting categories. It is the policy of the Program that Program statistics reporting and estimated impact metrics in the following categories be developed and reported quarterly to the Authority: (i) number of projects funded, (ii) project amount funded, (iii) estimated amount of energy savings, (iv) estimated amount of renewable energy produced, (v) estimated amount of water savings, (vi) estimated amount of greenhouse gas emissions reductions, and (vii) estimated number of jobs created.
- 13.2. Reporting standards. It is the policy of the Program that all data collected for the quarterly metrics reports be developed and collected using standardized, third party verified methodologies. The methodologies and supporting assumptions and/or sources must be made available to the Authority by the Partner. It is the responsibility of the Partner to develop reports consistent with each of categories listed above and to test and verify the data collection and reporting methods and models used. All reports shall include only aggregate data, excluding any sensitive customer information.
- 13.3 Participation in CAEATFA. Residential PACE programs operating in California must participate in the PACE Reserve program of the California Alternative Energy and Advanced Transportation Authority. Accordingly, the Programs must report bi-annually on program activity to CAEATFA.

14.CLOSING & FUNDING

Policy Summary: The Program provides limited purpose financing to homeowners, and not general purpose financing that is common among traditional sources of financing. The Program has front-end (e.g., eligible product call-in requirements) and pre-funding (e.g., completion certificates and permits) procedures designed to confirm that their financing dollars are used for permissible purposes. A policy requiring such procedures is essential to protecting the integrity of the Program.

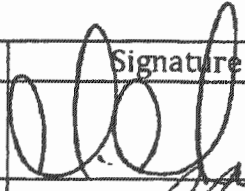

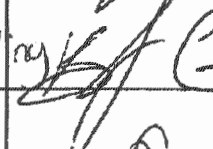
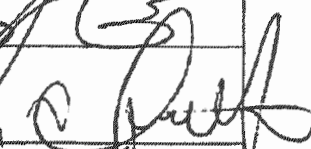
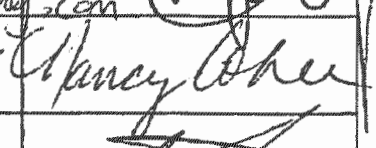
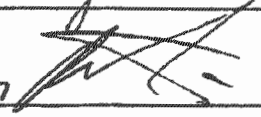
- 14.1. Installation Completion Sign-off. It is the policy of the Program to confirm, before funding, that the eligible products financed are installed, operational and in a condition that is acceptable to the homeowner and the contractor, and to require that the homeowner and the contractor attest to such by signing a document stating that all products have been installed to the homeowner's satisfaction and in accordance with product specifications. It is the responsibility of the Partner to confirm any such document is signed within the maximum allowable installation time as specified by the Program
- 14.2. Permits. It is the policy of the Program for homeowners seeking Program financing to obtain required permits for the installation of Measures and provide verification thereof upon request.
- 14.3. Funding. It is the policy of the Program to disburse funds only for projects that are complete.
- 14.4. Recording. It is the policy of the Program to record the Notice of Assessment and Payment of Contractual Assessment Required documentation in a manner consistent with state law.
- 14.5. Asset verification. It is the policy of the Program to confirm that product(s) listed on the Completion Certificate and for which Program financing has been provided have been installed and that the Partner develop and implement a randomized onsite inspection protocol acceptable to the Authority.

Honorable Members of the Riverside County Board of Supervisors,

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them.

Being able to give our customers choices is better for our business and better for the community. Please vote to bring PACE competition to Riverside County.

Sincerely,

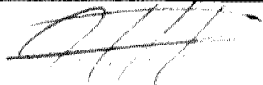



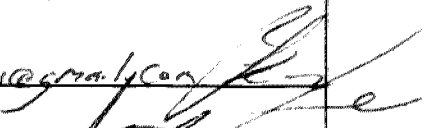
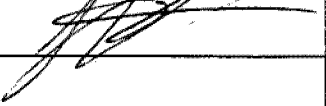
Name	Company	Email	Signature
GREGORY GRAHAM	DBA Graham Solar GAM Solar Inc.	gandmsolar@gmail.com	
Marlene Fritz	Clean Power Engineering	MFritz@cleanpowerinc.net	
Beverly Giehm	Energy Remodeling Inc	beverlyg@energyremodeling.com	
Juan Maldonado	Energy Remodeling Inc	JUANM@energyremodeling.com	
Nancy Ohee	Mohr Power Solar Inc.	MARKETING@MOHRPOWER.COM	
Richard Negrete	Pacwest power.	RNEGRET@Pacwestpower.com	

Honorable Members of the Riverside County Board of Supervisors,

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them.

Being able to give our customers choices is better for our business and better for the community. Please vote to bring PACE competition to Riverside County.

Sincerely,

Name	Company	Email	Signature
Sosh Tofteland	Petersen Dean	STofteland@Petersen Dean.com	
Polen Tibi	California Preferred C.P.B. Builders	guti.guero@yahoo.com	
Genevieve Johnson	Solairre Energy System	Genevieve@ gosolairre.com	
Michael Lombardi	American West	Michael.Lombardi@amerwest.com	
Brian Lombardi	American West	Brian.Lombardi@amerwest.com	
Jason Perrotto	LifePoint Co.	jason.lifepoint@life point.com	

Honorable Members of the Riverside County Board of Supervisors,

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them.

Being able to give our customers choices is better for our business and better for the community. Please vote to bring PACE competition to Riverside County.

Sincerely,

Name	Company	Email	Signature
John R Bechtold	American Solar Direct	amer.solar.direct.com john.bechtold@amer.solar.direct.com	John Bechtold
Daniel Ortiz	American Solar Direct	daniel80ortiz@yahoo.com	Daniel Ortiz
Tim Cottle	American Solar Direct	Tim.Cottle@amer.solar.direct.com	Tim Cottle
Sydney Brown	American Solar Direct	Sydney.Brown@amer.solar.direct.com	Sydney Brown
Anthony Scarcelllo	American Solar Direct	anthony.scarcelllo@amer.solar.direct.com	Anthony Scarcelllo
Paul Rivero	American Solar Direct	Paul.Rivero@amer.solar.direct.com	Paul Rivero

Honorable Member of the Riverside County Board of Supervisors,

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them. Being able to give our customers choices is better for our business.

Please vote to bring PACE competition to Riverside County.

Sincerely,

Name	Company	Signature
Kathy Porter	Sea Bright Solar	Kathy Porter
Terry Leungang	Sea Bright Solar	Terry Leungang
Brendon Clark	Sea Bright Solar	Brendon Clark
Jovonne Bernal	Sea Bright Solar	Jovonne Bernal
Baldrick Collins	Sea Bright Solar	Baldrick Collins
Michael Jimenez	Sea Bright Solar	Michael Jimenez
GENIE LONG	SEA BRIGHT SOLAR	GENIE LONG
Steve Menger	SEA Bright Solar.	Steve Menger
Darrel Miramontes	Sea Bright Solar Inc.	Darrel Miramontes
Chris Palmer	Sea Bright Solar, Inc	Chris Palmer

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them. Being able to give our customers choices is better for our business.

Sincerely,







[illegible]

Honorable Members of the Riverside County Board of Supervisors,

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them.

Being able to give our customers choices is better for our business and better for the community. Please vote to bring PACE competition to Riverside County.

Sincerely,

Name	Company	Email	Signature
GEORGE CISNEROS	CALIFORNIA GREEN TURF	MAJOR HOSTEL COUTO YAHOO.COM	
P. Williams	CGT Shopcgt.com	ladyface24@ hotmail.com	
Ed. Santos	Cali Green Turf	ed.ecgt.com	
Anthony Garcia	Cali Green Turf	tonygarcia@ecgt.com	
NICK PELAEZ	CALI GREEN TURF	NICK@CGT.COM	
Felicia Bain	Cali Green Turf	feliciabain@ecgt.com	

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them.

Sincerely,

[illegible]

Honorable Members of the Riverside County Board of Supervisors,

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them.

Being able to give our customers choices is better for our business and better for the community. Please vote to bring PACE competition to Riverside County.

Sincerely,

[illegible]

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them.

Sincerely,

[illegible]


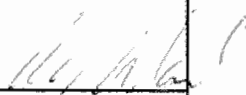

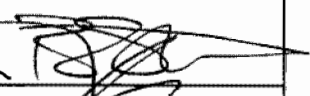

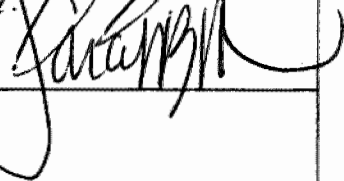
[illegible]

Honorable Members of the Riverside County Board of Supervisors,

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them.

Being able to give our customers choices is better for our business and better for the community. Please vote to bring PACE competition to Riverside County.

Sincerely,

Name	Company	Email	Signature
Ann Houser	Atech	ahouser@atechconcepts.com	
Kimberly Brechler	Atech	kbrechler@atechconcepts.com	
William Mortenson	DAVEY ENERGY	WMORTENSON@DAVEYENERGY.COM	
Breanna Strauss	Mohr Power Solar	breanna@mohrpower.com	
Jason Brooks	Mohr Power Solar		
Brittany Mohr	Mohr Power Solar	Brittany@mohrpower.com	

Honorable Member of the Riverside County Board of Supervisors,

In order to best serve our customers in Riverside County, we respectfully request that you expand the County's Property Assessed Clean Energy (PACE) program. We participate in the HERO Program and want more PACE options. Each PACE program has slightly different terms and features. We want to help our customers find the financing terms that make the most sense for them. Being able to give our customers choices is better for our business.

Please vote to bring PACE competition to Riverside County.

Sincerely,

Name	Company	Signature
Samuel K Andrew	Pacific Home SD	Samuel Andrew
Michael Haines	Quality Home Renovators	Michael Haines
MATTHEW YANCY	FIDELITY HOME ENERGY	Matthew Yancy
Scott Rempel	ASI Heating	Scott Rempel
Fred Hamman	Coast Energy Solutions	Fred Hamman
JEFF CRULL	Sunlight Solar	Jeff Crull
BASSEL DEEB	TRANSWORLD SOLAR	Bassel Deeb
Tyfaní Hafley	American Solar Direct	Tyfaní Hafley
Cassandra O'Brien	American Solar Direct	Cassandra O'Brien

Consumer Protections



Ygrene Energy Fund strives to do what's right for property owners and is committed to ensuring the highest level of consumer protections and lending practices in the industry.

Our Consumer Protection Policy includes:

- Contractor Registration, Training and Certification
- Payment Protection for Property Owners
- Safer, More Flexible Financing Platform
- Consumer Disclosures
 - Three-day Right to Cancel
 - Energy-efficient Product Verification
 - Pricing Controls
- Permit Verification
 - Consumer Identity Confirmation
 - Protections for Seniors and ESL
 - Privacy
 - Dispute Resolution

Consumer Disclosures

We have established policies and procedures to ensure property owners are fully informed of the nature of the financial transaction they are entering into. The following special notices help educate property owners of their legal rights and protections, every step of the way:

- Notice to Lender of Proposed Special Tax Lien
- Property Owner's Acknowledgment of Sole Responsibility to Deal with Lenders
- Notice of Special Tax Lien
- Financing Agreement/Unanimous Approval Agreement
- Closing Statement (includes all fees, APR/APY, capitalized interest and amortization table)
- Assignment of Rights to Receive Proceeds

Quality Assurance and Control

Ygrene is committed to actively managing the internal processes and protocols necessary to maintain the integrity of our Program and providing property owners with the highest level of oversight and protection.

We have incorporated a layered review system that begins with an extensive evaluation of the contractor company and personnel, extends to transaction level due diligence, and is followed by post closing quality control. Our goal is to mitigate any risk associated with our business model as early as possible, and to diligently address any potential findings that may create risk for consumers, our government partners or our company.

1. Contractor Approval and Training: Before contractors can become active within the Program, they must apply, register and meet all Program requirements before receiving Ygrene Certified Contractor status. This process includes a review of current and historical information on the individual contractor's company and key employees, adherence to industry standards and practices, and validation of all licensures, including bonding, workers' compensation and other active licenses. All contractors undergo Ygrene Certified Training to ensure they can accurately support and represent the Program to property owners. Post approval, we periodically review the status of all Certified Contractors to determine they remain in good standing.

2. Contract Eligibility Review: After the property owner has approved the project but before Ygrene has provided project authorization, our Operations team obtains, reviews and approves the contract and the measures under application for financing. The contract (signed by the property owner) must note the specific improvement and specifications, the related components and scope of work to be completed, and the associated costs. Once the contract meets acceptable guidelines for clean energy upgrades and/or protections, the project scope and eligibility can be approved and a Notice to Proceed is issued to the property owner and the contractor.

3. Building Department Review: We require that the contractor obtain all required building permits prior to beginning a project. Upon project completion, a final inspection and sign off of the permitted work is obtained prior to the project funding. All documents are reviewed and signed by Ygrene Funding team as part of our pre-funding due diligence.

4. Property Owner Approval: When the work is completed and the contractor submits a payment request, we provide the property owner with an Estimated Closing Statement to affirm their approval and satisfaction, and we require the property owner to sign the statement by electronic signature. The property owner's acknowledgement by e-signature indicates satisfaction of project completion and authorizes Ygrene to pay the contractor.

5. Funding Review and Approval: The Ygrene Funding team conducts a final review of all contract documents, site inspections and property owner payment authorizations before proceeding with funding.

Eligible Improvements



YgreneWorks™ provides PACE financing for a variety of energy efficiency, renewable energy, water conservation and, in certain locations, electric vehicle charging stations, seismic upgrades and hurricane protection. Property owners are encouraged to pursue the most cost effective improvements (or combination of improvements) to maximize their long-term utility savings and return on investment.

The list of eligible improvements below is not intended to be comprehensive. Any project that measurably saves energy beyond the level required by legislation, that generates renewable energy, or adds to the conservation of energy or water resources can be financed through YgreneWorks.

Energy-Efficiency

- Additional building openings to provide natural light
- Air filtration
- Attic, floor, walls, roof, duct upgrades
- Air sealing and ventilation Bathroom, ceiling attic, and whole-house fans
- Building envelope
- Cool roofing
- Defect correction
- Duct leakage and sealing
- Evaporative coolers (separate ducting system from AC and heat)
- Geothermal exchange heat pumps
- HVAC systems
- Insulation
- Lighting (fixture retrofits only)
- Natural gas storage water heater
- Pool equipment (circulating pumps, etc.)
- Reflective insulation or radiant barriers
- Sealing
- Skylights
- Solar tubes
- Solar water heating systems
- Tankless water heaters
- Weather stripping
- Window filming
- Windows and glass doors (U value 0.41 or less and solar heat gain coefficient)

Building Improvements (Non residential)

- Classroom lighting
- Kitchen exhaust variable air-volume controls
- Occupancy sensor lighting fixtures
- Refrigerator case LED lighting with occupancy sensors
- SMART parking lot bilevel fixtures
- SMART parking garage bilevel fixtures
- SMART pathway lighting
- SMART wall pack fixtures
- Task ambient office lighting
- Wireless daylight lighting controls
- Wireless HVAC controls and fault detection

Water Conservation

- Core plumbing systems
- Demand initiated hot water systems
- Demand water softeners
- Faucet aerators
- Gray-water systems
- High efficiency toilets
- Hot water pipe insulation
- Instantaneous hot water heaters
- Irrigation control systems
- Irrigation systems
- Low-flow showerheads
- Rainwater cisterns
- Recirculation hot water systems
- Whole house water manifold systems

Renewable Energy

- Emerging technologies
- Photovoltaic systems (electricity)
- Solar thermal hot water systems
- Solar thermal pool heating systems

Water Conservation (Non residential)

- Cooling condensate reuse
- Cooling tower conductivity controllers
- Deionization equipment
- Filter upgrades
- Foundation water drains
- Industrial process water use reduction
- Pre-rinse spray valves
- Recycled water sources
- Urinals
- Waterless urinals

Custom Improvements

- Building energy-management controls
- Co-generation (heat and energy)
- Electric vehicle charging stations
- Fuel cells
- HVAC duct zoning control systems
- Hydrogen fuel
- Industrial and process equipment motors and controls
- Irrigation pumps and controls
- Lighting controls
- Natural gas
- Other fuel sources (emerging technologies)
- Wind turbine power systems

Top 5 Property Owner FAQs



1. What does Ygrene do?

Ygrene Energy Fund's award winning YgreneWorks™ program provides special property assessed clean energy financing which allows you to finance improvements to your home or business by putting the financed amount on your property tax bill. YgreneWorks is offered in partnership with your local city or county government and enables us to provide low cost financing over long terms with zero money out of your pocket. With YgreneWorks, you will save energy, water and money while reducing greenhouse gas emissions in your city.

2. How can I use the funds?

Ygrene financing can be used for energy efficiency, renewable energy, and water conservation upgrades in both residential and commercial projects. In certain locations financing also can be used for electric vehicle charging stations, seismic upgrades and hurricane protection. Install that solar system you've always wanted. Upgrade your air conditioning and furnace. Improve your home with new windows, doors, roofing, insulation and drought resistant landscaping. For more information about what projects qualify, please visit ygreneworks.com.

3. Why is making payments on my property tax bill a great idea?

It's a great idea for many reasons. The payment may be tax-deductible which reduces your effective cost and the payments may stay with the property when you move. And depending on when you install your upgrade, you may not have to make a payment for up to 17 months. To learn more, contact a Ygrene Certified Contractor or Ygrene customer service representative.

4. Why would I use YgreneWorks over traditional financing?

YgreneWorks beats traditional financing hands down. Our longer terms and tax advantages deliver the lowest monthly payments—saving you up to 50% or more over traditional financing. Add in other benefits such as payments that may stay with your property, zero money down, no payments for up to 17 months¹, and potential tax deductibility,² it's easy to see why Ygrene is America's best home improvement financing option.

5. How do I get started?

Getting started is easy. Simply visit ygreneworks.com to find a Ygrene Certified Contractor near you, or contact one of our friendly Ygrene customer service representatives at **877.819.4736**.

¹ Depends on project completion date.

² Financing may be tax deductible. Ygrene does not provide tax advice. Please consult your tax advisor.

America's Best Home Improvement Financing



Ygrene Energy Fund has partnered with your city to bring you YgreneWorks™—a 100%, zero-down PACE financing program for energy and water saving upgrades to your home or business that beats traditional financing hands down. YgreneWorks can be used for energy efficiency, renewable energy, water conservation and, in certain locations, electric vehicle charging stations and seismic upgrades.

Increase the value of your property, save money and energy, and create a safer and healthier environment when you put YgreneWorks to work for you.

Visit ygreneworks.com to find a Ygrene Certified Contractor near you.

- 100% Financing, Zero Money Down
- Eligibility Not Based on Credit Score
- No Payments for Up to 17 Months¹
- Financing May Be Tax Deductible²
- Low Fixed Payments

¹ Depends on project completion date.

² Ygrene does not provide tax advice. Please consult your tax advisor.

Three Easy Steps!



Choose a contractor & apply

Sign financing documents

Complete your project & receive payment



Enjoy your new home upgrade!

YgreneWorks for you

Q: How will YgreneWorks™ work for me?

A: Ygrene has partnered with your city or county to provide 100%, no money down PACE financing, called YgreneWorks, that will help you increase the value of your property while saving energy, water and money.

Q: What is PACE?

A: PACE stands for Property Assessed Clean Energy. YgreneWorks is an innovative new financing program that is repaid on your property tax bill and has many advantages over traditional financing.

Q: Why is making payments on my property tax bill a great idea?

A: It's a great idea for many reasons. The payment may be tax-deductible which reduces your effective cost and the payments may stay with the property when you move. And depending on when you install your upgrade, you may not have to make a payment for up to 17 months. To learn more, contact a Ygrene Certified Contractor or Ygrene customer service representative.

Q: How do I qualify?

A: It's easy. Eligibility is based on the amount of equity in your home, and is not based on your credit score, proof of employment, income, or financial statements. Get preapproved online in minutes.

Choose from thousands of eligible improvements

Use Ygrene to install a solar system, upgrade your AC, install a new furnace, and improve your property with new windows, doors, roofing, insulation, and drought resistant landscaping.



**ENERGY
EFFICIENCY**



**RENEWABLE
ENERGY**

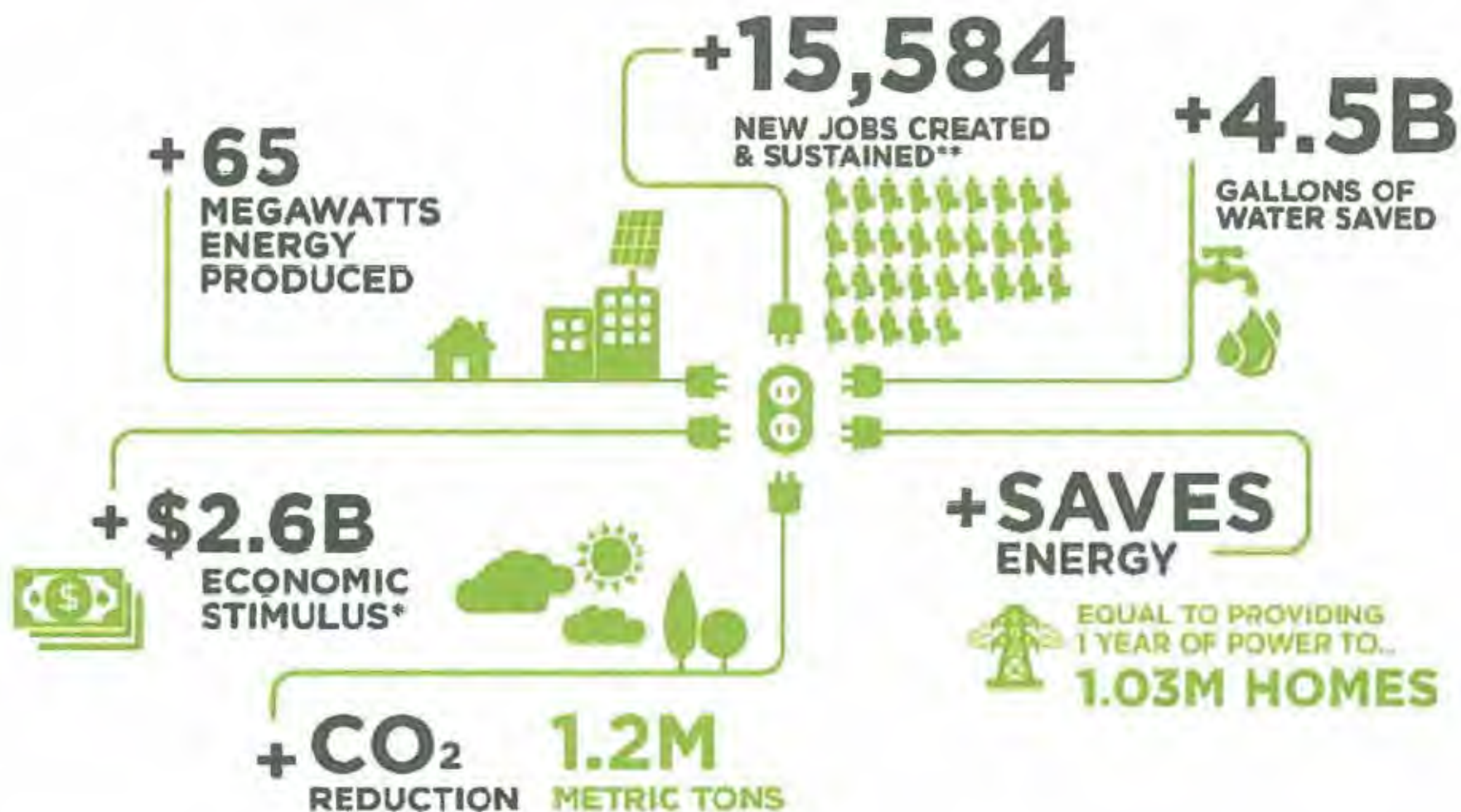


**WATER
CONSERVATION**

Scan for video



What does \$1,038,950,000 in water and energy efficiency upgrades look like?



* Estimated annual Economic Impact/Stimulus includes both local impact (e.g., labor costs) as well as manufacturing, distribution, materials, etc., that may occur outside the local economy but that are a part of the national economy.

** Depending on the Improvement, CO₂ reduction and annual job creation may vary.

All figures are current as of January, 31 2016.



(<http://www.prnewswire.com/>)

PRINT THIS

With More Than \$1B in Approved Applications for 21,000+ homes and \$300M in Completed Contracts, Ygrene Continues Rapid Growth as PACE Market Leader

Ygrene has secured \$520 million in cumulative project and operating capital to support 800% year-over-year increase in applications



SANTA ROSA, Calif., Feb. 11, 2016 /PRNewswire/ – Ygrene Energy Fund Inc., the leading multi-state provider of residential and commercial PACE financing, today announced it has reached more than \$1 billion in approved applications and \$300M in closed contracts for energy efficiency, water conservation and renewable energy projects. With an 800% year-over-year increase in applications, Ygrene is providing unprecedented access to clean energy and climate resilience upgrades through its zero upfront cost financing program, YgreneWorks™. As a result, the award-winning program will reduce carbon emissions and save property owners across the nation upwards of \$600 million on their utility bills over the life of the improvements—energy savings equal to powering nearly 300,000 homes for one year.

Investor Community Demonstrates Strong Appetite for PACE

While policymakers embraced the benefits of PACE on economic, energy and environmental fronts, institutional investors committed billions in capital to fund PACE initiatives. Ygrene has raised \$520 million in cumulative project and operating capital to date, including a \$150M securitization of PACE assets, the first securitization to blend commercial and residential into a single asset pool. With more securitizations on the near horizon, Ygrene is well equipped to support ongoing growth while investors continue to realize above market yields and near-perfect repayment rates.

200+ Communities Across California and Florida Choose YgreneWorks

Ygrene, the only multi-state PACE administrator, is now authorized in more than 200 cities and counties across the U.S., and is seeing PACE hit the tipping point in California and Florida—two regions that have served as the proving ground for its model. In California, new jurisdiction wins include 7 of the 10 largest cities (Los Angeles, San Diego, San Jose, Fresno, Sacramento, Oakland, Santa Ana), and 4 of the 6 largest counties (Sacramento, Riverside, San Diego and Kern) in the state. Ygrene has trained over 2800 contractor companies in communities across its service territory, a 95% year-over-year growth rate.

Demand for Multifamily Projects Doubles

As the only PACE provider to complete energy upgrade projects for the underserved multifamily housing sector, Ygrene has now funded 54 multifamily projects, an increase of 100% in the last year. The growth in this sector shows the need for energy efficiency, renewable energy and climate resilience options for this historically underserved market.

PACE Policy Reaches the Tipping Point

PACE policy gained traction regionally and nationally in 2015. With the federal endorsement of President Obama and the FHA, PACE is now one of the most powerful financing vehicles for the nation's shift to a clean energy future. At the state level, Florida, one of the most climate-vulnerable regions in the country, ruled in favor of PACE in its Supreme Court (<http://www.pnewswire.com/news-releases/ygrene-applauds-florida-supreme-courts-ruling-approving-pace-financing-300160764.html>), expanding the role PACE is playing in critical hurricane preparedness and other property improvements. Ygrene has pioneered the effort in Florida and is the leading PACE provider in the state having funded \$50M in energy efficiency and climate resilience improvements. These victories mark a turning point for PACE, positioning 2016 as a landmark year for communities across the nation to join the PACE movement.

"The strong growth curve for PACE is being driven by both commercial and residential property owners who are increasingly demanding alternatives to traditional credit-based financing that allow them to make upgrades to their property, save money and do good for the environment. It's a win-win-win."

said Stacey Lawson, Ygrene President and CEO. "We remain focused on long term market engagement and will continue to take a people-first approach to energy efficiency financing as we expand into new states in 2016."

Ygrene by the Numbers

- \$1B in applications approved for over 21,000 residential and commercial properties
- \$300M in completed contracts for over 13,000 residential and commercial properties
- 54 multifamily (MFH) housing projects completed, making it the largest MFH funder
- \$520M secured in project and operating capital
- 200+ community partners across CA & FL
- \$750M in local economic stimulus
- 4,500 jobs created & sustained
- \$600M energy saved (utility bill savings)
- 19 MW energy produced
- 360,000 Mtons CO₂ avoided
- 1.3B Gal water saved

About Ygrene Energy Fund

Ygrene Energy Fund is a leading residential and commercial provider of clean energy financing throughout the United States. The award winning, privately funded YgreneWorks™ program provides immediately accessible financing with no upfront costs for energy efficiency, renewable energy, water conservation and, in certain areas, hurricane protection, electric vehicle charging stations and seismic upgrades. Ygrene is committed to making it easy for families to invest in their future and a healthier environment. Over the next five years, YgreneWorks is projected to create tens of thousands of local jobs and invest hundreds of millions into local economies. Learn more at www.ygreneworks.com (<http://www.ygreneworks.com/>).

Logo - <http://photos.prnewswire.com/prnh/20111109/LA03200LOGO>
(<http://photos.prnewswire.com/prnh/20111109/LA03200LOGO>)

SOURCE Ygrene Energy Fund

RELATED LINKS

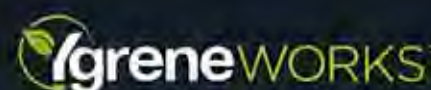
<http://www.ygreneworks.com> (<http://www.ygreneworks.com>)

Find this article at:

<http://www.prnewswire.com/news-releases/with-more-than-1b-in-approved-applications-for-21000-homes-and-300m-in-completed-contracts-ygrene-continues-rapid-growth-as-pace-market-leader-300218602.html>

☐ Check the box to include the list of links referenced in the article.

The Right Partner for Your Clean Energy Program



Activating a property assessed clean energy (PACE) program in your community creates jobs, increases economic investment, helps local contracting firms grow and reduces energy costs for property owners. Finding the right partner is the key.

Ygrene Energy Fund's team of experienced financial experts, top operational and funding teams, and locally connected area managers will develop a financially sound, proven PACE program that generates measurable results for your community—quickly and effectively.

FOR LOCAL GOVERNMENT	FOR PROPERTY OWNERS	FOR CONTRACTORS
Economic Stimulus Ygrene's program achieves the triple bottom line. It creates jobs, builds the economy, and reduces our carbon impact.	Wide Range of Projects Property owners can finance thousands of different energy efficiency and water conservation improvements.	Increased Business An effective PACE program can dramatically increase business for energy contractors.
Consumer Protection All contractors must be licensed & bonded with the state of California and are trained & certified by Ygrene. All projects require local permits and customers approve work before directing payment to contractor.	Long-Term Financing Payments for financing are at affordable fixed rates over five-to-30 year terms.	Training and Certification Ygrene provides contractors with all the necessary training to effectively represent PACE financing to property owners. Once training is complete, contractors receive their certification confirming their ability to participate in the program.
Zero Cost to Taxpayers Because Ygrene pays for all costs including district implementation, staffing and marketing, and provides all project funding, there is zero cost to the jurisdiction or local taxpayers.	No Impact on Credit Improvements are paid through the property tax bill, so it doesn't impact the property owner's credit or balance sheet, and the payment may stay with the property if sold.	Easy Project Management Ygrene's software tools allow contractors to easily manage jobs and approvals.
Dedicated Team Ygrene fully staffs all of our programs with local account managers, a dedicated government liaison, centralized customer service reps, underwriters and other professionals.	No Upfront Costs Program application and pre-approval can happen in less than 15 minutes and there are no upfront costs.	Ready Funding Ygrene's fully-funded district ensures that project payment is quick and convenient.

Experience YgreneWorks in Your Community

Ygrene delivers best in class PACE financing with the highest standard of consumer protections and a commitment to making it easy for families to invest in their future and a healthier environment.

Imagine what we can do. Millions more in local economic investment, more local green jobs, more energy savings—and more choice in energy efficiency financing for property owners.

The YgreneWorks Model

CONSUMER PROTECTION	When it comes to doing what's right for property owners, Ygrene is setting the bar higher. We are committed to ensuring the highest standard of consumer protections and lending practices in the industry.
ECONOMIC STIMULUS	Ygrene can help you achieve the triple bottom line: creating jobs, building the economy, and reducing our carbon impact.
ENVIRONMENTAL BENEFIT	From solar panels and wind turbines to low-flow plumbing and drip irrigation systems, Ygrene funds thousands of environmentally friendly energy and water saving improvements to fit your community.
DEDICATED TEAM	Ygrene manages every aspect of the Program with oversight by government staff—a true turnkey operation with a dedicated team that won't impact your local budget or resources.
ZERO COST TO TAXPAYERS	Ygrene covers all costs including implementation, customer care, marketing and financing. Not one cent comes from local taxpayers.

For more information call **707.236.6608** or email info@ygrene.us

Frequently Asked Questions



What is YgreneWorks™?

Ygrene Energy Fund's award winning YgreneWorks program provides zero money down PACE financing for property owners to enable energy efficiency, renewable generation and water conservation improvements to homes and businesses, conveniently repaid through property taxes.

What is PACE financing?

PACE (property assessed clean energy) enables residential and commercial property owners to finance a wide range of energy and water conserving improvements and renewable energy generation systems. Because payments are made through property taxes, PACE participants enjoy long financing terms, reasonable rates and quick approvals.

What kinds of projects can be financed using YgreneWorks?

YgreneWorks provides funding for home or commercial property improvements that save energy, conserve water or generate renewable energy. In certain locations financing also can be used for electric vehicle charging stations, seismic upgrades and hurricane protection. Literally thousands of products and services, along with associated installation costs, qualify for the program. The most commonly financed projects are solar systems, heating and air conditioning systems, windows, doors, roofing, insulation and duct work, pool pumps, water heaters, and water-saving measures.

What is the Golden State Finance Authority?

The Golden State Finance Authority (GSFA) is a California public entity and agency formerly known as California Home Finance Authority (CHF). As a joint powers authority formed under California state law, GSFA has the power to form PACE special districts consisting of member counties and cities that unite to fulfill authority goals. By the unanimous vote of its 33 member counties the GSFA Board of Directors formed the statewide PACE district through which YgreneWorks operates.

What is Ygrene Energy Fund?

Ygrene is a private company based in Santa Rosa, California. The firm operates in several states, offering property tax secured financing that allows owners to fund environmentally beneficial improvements to homes, commercial and agricultural properties.

Why are GSFA and YEF offering YgreneWorks?

There are many advantages that accrue from the statewide scope of YgreneWorks. With GSFA as the sponsor, cities and counties can achieve the many benefits of PACE—economic development, job creation, sustainability goals—without taking on the district formation and administration oversight associated with operating a PACE district. For property owners, especially larger commercial participants, the potential for improving their facilities throughout the state while utilizing a single financing program is very attractive. Contractors appreciate the ability to bring YgreneWorks financing to customers throughout their operating territories. The structure is a win-win for all.

How does YgreneWorks benefit my community?

YgreneWorks allows your city or county to bring best-in-class PACE financing to its constituents by providing 100 percent, no money down project funding with some of the lowest rates and fees to residential, multifamily and commercial property owners. Not only does YgreneWorks ensure property owners have greater choice in energy efficiency and water conservation financing options, it also generates more local green jobs, stimulates local economies and helps achieve mandated CO2 reduction targets, producing a safer, healthier environment for everyone.

Is it easy to join YgreneWorks?

Yes. Joining YgreneWorks is simple. There are no costs, no ongoing staff time, and no legal or financial risks to your community. By offering YgreneWorks to your constituency, you make available the most flexible and affordable PACE program available. The community will benefit from new jobs, increased economic activity, reduced energy and water use and achieve sustainability goals.

My community already has PACE financing, so why should we add YgreneWorks?

Expanding the number of PACE programs in your community increases competition among providers, which ensures your constituents have access to the lowest rates and fees, the longest terms and other features and benefits you would not otherwise receive if the provider pool were limited. Ygrene is the only PACE provider offering 100% financing for all eligible property types—residential, multifamily, commercial, industrial and agricultural.

My jurisdiction is not a member of GSFA. Do we have to join GSFA to participate in YgreneWorks?

If your county is not a member or associate member of GSFA, the opt-in resolutions passed by your Board of Supervisors will include associate membership in GSFA. Similarly, for cities that are not already members of GSFA, the opt-in resolutions passed by your City Council will include associate membership in GSFA. There is no cost in either case.

What is the process for my community to join the YgreneWorks program?

Joining YgreneWorks is fast and simple. The resolutions necessary to opt-in to the program can be approved at a single City Council or Board of Supervisors meeting and, if desired, included on your consent agenda. GSFA and Ygrene will provide samples of all required documents including sample staff reports and resolutions. Call **707-236-6655** to speak with a Ygrene government relations representative who will walk you through the process.

Is taxpayer money used to fund YgreneWorks?

No. YgreneWorks does not rely on or use any public funding. Ygrene's financial partners provide all project funding for the program.

How quickly can the YgreneWorks program be up and running in my community?

YgreneWorks can start operating in your community soon after your Board or Council approves the program. The program can launch within one week of your approval.

Can our city or county work with YgreneWorks to develop a program tailored to our community?

Yes, we work with local partners to understand how your community is unique and welcomes your suggestions for how we can best reach your constituents. Program materials can be co-branded with your city or county, and communities can include program information on their websites and other pertinent materials. YgreneWorks is easily integrated with other energy efficiency and water conservation programs and utility rebate programs.

Are there any costs or risks to my community by participating in YgreneWorks?

No. There is zero cost and no legal or financial risk to your city or county as a result of offering YgreneWorks in your community. Ygrene pays all costs of program administration, staffing, and marketing and provides all project funding. No taxpayer funds of any kind are involved. Only those owners who voluntarily elect to utilize YgreneWorks to finance improvements to their property incur any costs.

How much staff time is required for my community to join the program, and what are our obligations after the program launches?

YgreneWorks is designed to provide a true turnkey operation with no ongoing administrative responsibilities for your city or county staff. GSFA and Ygrene provide sample reports and opt in resolutions for use by staff in putting the item before your City Council or Board of Supervisors. Once YgreneWorks is operating in your community, Ygrene administers all aspects of the program.

Some of this content is specific to the California market only. For questions about Florida, Georgia or other states, please call 707.236.6655.

Multifamily Properties Case Study



Sandpiper Apartments Sacramento, CA

Energy Efficient Windows, Sliders and LED Lighting

Sandpiper Apartments, an 80-unit private, gated apartment community on three acres just outside of the city center, wanted to lower their utility costs, maximize rents with no capital outlay, and provide tenants a more comfortable living environment. With the flexibility of Ygrene's property assessed clean energy (PACE) financing, Sandpiper is now targeting a 21% reduction in annual energy costs.

About YgreneWorks

YgreneWorks™ provides zero down, 100% PACE financing for energy efficiency, renewable energy, water conservation and, in certain locations, electric vehicle charging stations and seismic upgrades.

With no capital outlay, no guarantors, no financial review, low, fixed payments and terms up to 30 years, loans are repaid through a special assessment on your property taxes that may be transferable upon sale or refinance.

Increase the value of your multifamily property, save money and energy, and create a safer, healthier and more attractive environment for your tenants. Put YgreneWorks to work for you.



Clean energy upgrades financed through Ygrene—the leading commercial and multifamily PACE provider in the U.S.

**A \$136,000 project
targets annual energy
savings of 21%.**

Create Your High Performance Commercial/Multifamily Building

- Improve Energy Efficiency
- Leverage Off Balance Sheet Capital
- Enhance Property Value
- Maximize Net Operating Income (NOI)
- Boost Occupancy and Lease Rates with a "Green Building"
- Enjoy Nonrecourse Financing

Property Types

- Office
- Retail
- Multifamily
- Mixed Use
- Warehouses
- Flex Space
- Mills
- Light Industrial
- Power Plants
- Agricultural

Save Money. Save Energy.

Benefits of YgreneWorks PACE Financing

- Retain capital with 100% project financing of eligible improvements with fixed terms up to 30 years
- Improve property cash flow and value with zero cash outlay
- If property is sold, property tax assessment may be transferable to the new owner upon sale
- Off balance sheet, property tax-based financing may result in improved tax treatment
- Special tax can be passed through under most net leases
- Special assessment appears on property taxes, potentially enabling property owners to expense the entire amount, including principal and interest

Eligibility Criteria

- Mortgage and property taxes current at approval
- No involuntary liens on the property
- Not in bankruptcy
- No personal guarantees, covenant requirements or review of financials needed to qualify



Commercial Properties Case Study



Sacramento Metro Center, Sacramento, CA

Chiller, Cooling Tower & Water Treatment System

The Sacramento Metro Center is currently the second largest PACE project in United States history. More than \$3 million was financed, resulting in \$140,000 in annual energy savings—a 27 percent reduction.

About YgreneWorks

YgreneWorks™ provides zero down, 100% PACE financing for energy efficiency, renewable energy, water conservation and, in certain locations, electric vehicle charging stations and seismic upgrades.

With no capital outlay, no guarantors, no financial review, low, fixed payments and terms up to 30 years, loans are repaid through a special assessment on your property taxes that may be transferable upon sale or refinance.

Increase the value of your commercial property, save money and energy, and create a safer and healthier environment. Put YgreneWorks to work for you.



One of the largest PACE projects in the United States.

**More than \$3M financed,
resulting in a 27%
reduction in annual
energy savings**

Create Your High Performance Commercial Building

- Improve Energy Efficiency
- Leverage Off Balance Sheet Capital
- Enhance Property Value
- Maximize Net Operating Income (NOI)
- Boost Occupancy and Lease Rates with a "Green Building"
- Enjoy Nonrecourse Financing

Property Types

- Office
- Retail
- Multi-Family
- Mixed-Use
- Warehouses
- Flex Space
- Mills
- Light Industrial
- Power Plants
- Agricultural

Save Money. Save Energy.

Benefits of YgreneWorks PACE Financing

- Retain capital with 100% project financing of eligible improvements with fixed terms up to 30 years
- Improve property cash flow and value with zero cash outlay
- If property is sold, property tax assessment may be transferable to the new owner upon sale
- Off balance sheet, property tax-based financing may result in improved tax treatment
- Special tax can be passed through under most net leases
- Special assessment appears on property taxes, potentially enabling property owners to expense the entire amount, including principal and interest

Eligibility Criteria

- Mortgage and property taxes current at approval
- No involuntary liens on the property
- Not in bankruptcy
- No personal guarantees, covenant requirements or review of financials needed to qualify





Crystal Crawford

Director, District Development and
Government Relations

C: 858.555.6606

E: crystal.crawford@ygrene.org

CSA Toll Free: 877.009.4730

315.5th Street
Santa Rosa, CA 95404

ygreneworks.com