

Memorandum
Office of Jenine Windeshausen
Treasurer-Tax Collector



To: The Board of Supervisors

From: Jenine Windeshausen, Treasurer-Tax Collector

Date: November 17, 2015

Subject: **mPOWER Program Update & Authorizations**

Action Requested:

1. Receive an update on the mPOWER Program.
2. Adopt a resolution affirming the Board's support of the mPOWER program and its direction to expand the mPOWER Program to jurisdictions outside of Placer County.
3. Introduce an Ordinance allocating positions to the mPOWER Program to address the Program's growth and expansion and waive further reading of the ordinance.
4. Approve a budget revision in the amount of \$27,906 reflecting the increased cost of funding three of the positions for the last six months of the current fiscal year to address the Program's growth and expansion.
5. Approve changes to the mPOWER Program Report regarding waiver of prepayment premiums and property owner qualifications.
6. Approve a \$60,000 increase in the contract with Goodwin Consulting Group from \$50,000 to \$110,000 for services associated with truth-in-lending and good faith estimate calculations provided to applicants and for annual assessment levy preparation.

Background:

mPOWER Program Update: Since July of 2013, when the residential program suspension was lifted by your Board, the mPOWER Program has provided financing to over 1,000 property owners totaling over \$34 million. mPOWER now receives and processes approximately 100 applications a month, making it the most successful program in the Sacramento region for the past six years.

The Statistical Report in Attachment E for the month ended October 31, 2015 details performance data such as the number and dollar amount of applications received, processed, and funded and the types of improvements financed by supervisorial district and community as of October 31, 2015. In keeping with the mPOWER tag-line "Save Money. Save Energy. Create Jobs", the October month-end statistical report reflects 714 jobs created with 307 different contractors who have received funding through the mPOWER Program. mPOWER's \$34 million investment in energy efficiency improvements and renewable generation has reduced greenhouse gas emissions by over 2,570 tons. This reduction represents the equivalent of 496 cars off the road annually.

In addition to the 714 jobs created, it is estimated that for every \$1 million in energy efficiency and renewable generation, an additional 17.3 jobs are created from expenditures generated from increased disposable income from utility savings. This represents another 600 jobs created in the local economy. In turn, building permits,

sales tax and property tax revenues have been positively impacted from the improvements finance by mPOWER.

mPOWER ended the 2014-15 fiscal year with a net income of \$600,000. The projected financial status of the mPOWER Program is based on conservative estimates of program growth. The forecast for the current fiscal year-end reflects a net income of \$208,000 based on funding 782 applications. As of the end of October, 205 applications have been funded in Placer County, and 6 applications have been funded in Folsom. The projection also assumes funding approximately 150 applications in Nevada County.

Each new application results in the generation of capitalized interest that produces an ongoing infusion of one-time revenues used to offset program costs. In addition, the program has ongoing revenues of at least \$300,000 annually. These revenues are from the spread between the interest rate charged to property owners and the rate paid on bonds held by the Treasury. Bonds held by the Treasury can serve as a lever to ensure sufficient revenues are available over time to prevent the program from ending in the red. A calculated and measured approach to growing the program has been and will continue to be used to expand the program while controlling costs and aligning revenues to accelerate cost recovery.

Staff is in the process of analyzing and evaluating revenue structure alternatives. An analysis of the cost per application based on current application flow is in process to determine a revenue structure that more precisely tracks with expenditures. When that analysis is complete, staff expects to return to your Board to provide an update and possible approval of a new cost structure.

On June 2, 2015, your Board authorized the refinancing and sale of mPOWER bonds totaling \$33 million of which \$10 million were sold to Five Star Bank, a local financial institution. At that time, your Board authorized the issuance and sale of an additional \$67 million mPOWER bonds. The Treasurer-Tax Collector has received offers from several investors related to the sale of about \$15 million additional bonds currently held by the Treasury and has received proposals for potential long-term financing relationships related to the issuance of future mPOWER bonds.

California PACE Loan Loss Reserve Program Update: Administered by the California Alternative Energy and Advanced Transportation Finance Authority (CAEATFA), the PACE loss reserve program was started in March of 2014. The Program was established to address concerns raised by Federal Housing Finance Agency (FHFA) related to potential losses to mortgage holders that could be caused due to a foreclosure on a PACE lien which has priority and superior status over a mortgage lien. The Program provides for making a mortgage lender whole for losses caused by the foreclosure or forced sale of a residential property with a PACE lien. Attachment G is the most recent PACE Loan Loss Reserve Program Report for the period ended December 31, 2014. Although the establishment of the PACE Loan Loss Reserve has not appeased FHFA, CAEATFA staff has indicated that as of June 30, 2015, the fund now backs about \$750 million in PACE financing across California.

Federal Housing Finance Agency Update: The Federal Housing Finance Agency (FHFA) continues to maintain its objection to the priority and superior lien status of

PACE assessments and has made no changes to its original statement that properties with PACE liens are not eligible for Freddie Mac (FHLMC) and Fannie Mae (FNMA) loan purchase or guarantee. Recently, the White House and the Federal Housing Administration (FHA) through its Housing and Urban Development (HUD) office announced that effort was underway to promulgate best practices for PACE programs that would pave the way for PACE liens to be acceptable for properties with FHA loans. It is estimated that FHA only provides guarantees on about 8% of the mortgage market. The announcement implied that the best practices would also make PACE liens acceptable to FHFA on properties with FHLMC and FNMA mortgages. These best practices are likely to include provisions that endorse the practice of PACE providers entering into agreements with lenders that allow lenders to “hold and standstill” a PACE lien foreclosure and to be beneficiary of any PACE lien foreclosure proceeds. The proponents of this hold and standstill agreement have called this arrangement a “Payment Subordination” agreement. After this announcement, staff made an inquiry to FHFA. Based on this inquiry, staff remains cautiously optimistic that Payment Subordination Agreements will satisfy the subordination requirements of the FHFA.

Unfortunately, since the White House and HUD announcements staff has noticed the number of mPOWER lien payoffs has increased for both refinance and sale financing transactions. It is uncertain if there is a correlation between the announcements and the increase in payoff required by lenders. mPOWER has reached out to lenders during the month of October and could not find a lender willing allow a PACE lien to survive a refinancing or sale financing. Even lenders who previously allowed the lien to remain and who stated the PACE lien was allowable to them had changed their position. While mPOWER staff has always warned property owners of the possibility that a lender could require the lien to be paid-off, mPOWER staff has now begun to advise property owners that a pay-off of the PACE lien is likely to be required at time of refinance or sale.

mPOWER Program Expansion: In July of 2013, your Board authorized the mPOWER residential program to be resumed. On September 24, 2013, your Board Authorized and directed the Treasurer-Tax Collector to take the actions necessary to establish and administer the mPOWER program in jurisdictions outside of Placer County boundaries and approved the budget revisions necessary for initial work on program expansion to cover legal costs and related administrative expenses.

Since the Board authorized the expansion, the mPOWER Program has expanded into the City of Folsom, and on September 22, 2015 was selected through a competitive process to be the PACE provider for Nevada County. Additionally, the cities of Grass Valley, Nevada City and Truckee have also indicated the desire to move with Nevada County to implement the mPOWER Program.

Financing for the mPOWER program has been provided through the Treasury and accomplished with bonds issued by the Placer County Public Financing Authority (the “PCPFA”) which is a joint powers authority comprised the County and the Successor Agency to the former Placer County Redevelopment Agency. On August 18, 2015, your Board adopted Resolution 2015-175 to form the Sierra Valley Energy Authority (the “SVEA”) in cooperation with the City of Colfax based on a presentation outlining the need to develop a new financial conduit due to the fact that the PCPFA will cease to

exist one year after the former Redevelopment Agency outstanding refunded bonds mature in 2025, and therefore bonds cannot be issued which will mature after 2026.

The Board was also informed that a new joint powers authority would be the most efficient and cost effective method for expanding the mPOWER Program to other cities and counties. Other cities and counties can allow property owners in their jurisdiction to participate in the mPOWER Program by simply adopting a resolution to become a non-voting associate member of the SVEA. The alternative is to take each city and county through the assessment district formation and bond issuance process and then judicial validation of each program's bonds prior to administering an individual program for each jurisdiction. This alternative is not only costly and time consuming, but also not an alternative that other cities and counties would find practical and is therefore an unlikely choice for other cities and counties.

The City of Colfax adopted Resolution 35-2015 on September 9, 2015 to be the other voting member and the County's partner in the SVEA. Staff is in the process of working with the SVEA to establish the mPOWER Program under the SVEA. As part of that process, the SVEA will contract with the County to administer the SVEA and the mPOWER program. Staff will return to the Board of Supervisors at a later date for approval of a contract between the SVEA and the County for the administration of the mPOWER Program. Once the mPOWER program has been established and judicially validated, all existing jurisdictions (the Cities of Rocklin, Roseville, Loomis, Colfax, Auburn, Folsom and the unincorporated area of the County) will be mapped over to the SVEA Program and County staff will administer a single program from that point forward.

In order to expand the program in an efficient, cost effective manner while maintaining service levels and providing consumer protection, mPOWER must increase staffing levels as the program is expanded. The increase in staffing also requires facilities necessary to accommodate a larger staff and to serve a larger geographic area. The target market for mPOWER is the greater Sacramento region and rural communities in northern California. Staff is in the process of working with Facility Services to identify potential facilities in the South Placer area for program expansion.

Last spring the County of Sacramento moved to a model of multiple PACE providers for the unincorporated area of Sacramento. In so doing they conducted an analysis of PACE providers. The matrix in Attachment F details the key features of the programs offered by the main PACE administrators in the Sacramento regional market place. The mPOWER Program stands out as the most competitive PACE provider in the region on most of the program features. Below is a fee and rate comparison for residential PACE programs. This comparison was compiled by Sonoma County earlier this month.

Fee & Rate Comparison for Residential PACE

	mPOWER	HERO PROGRAM	CALIFORNIA FIRST	YGRENE ENERGY FUND*
Program Fee	\$500	4.99% (\$1,447*)	6.50% (\$1,885*)	\$884 fee plus 3% (\$870=\$1,754*)
Annual Fee	\$25	\$35	\$30	N/A
Recording Fee	\$66	\$95	\$100	\$100
5-year Loan	6.00%	6.75%	6.75%	6.5% (6.74% - no PP**)
10-year Loan	6.00%	7.69%	7.59%	7.49% (7.73% - no PP)
15-year Loan	6.00%	8.15%	7.99%	8.00% (8.24% - no PP)
20-year Loan	6.00%	8.35%	8.29%	8.25% (8.49% - no PP)
25-year Loan	N/A	N/A	8.39%	N/A
30-year Loan	N/A	N/A	N/A	8.49% (8.73% - no PP)

Source: Sonoma County

*Total amount on an average amount funded of \$29,000

mPOWER has both competitive rates and costs. mPOWER charges a flat fee of \$500 for residential applications and \$1,300 for non-residential applications. As stated above, mPOWER also receives a spread between the rate charged property owners and the rate paid to investors. All other programs charge closing costs that range from 4.99% to 6.5% or \$1,447 to \$1,885 on an average residential application of \$29,000. Non-residential closing costs range from 1% to 4% or \$1,000 to \$4,000 per \$100,000 financed.

Among the most noteworthy elements of the mPOWER Program are strong consumer protections, the competitive terms offered to property owners, and no charges or fees to contractors. mPOWER staff provides property owners a high level of service and added consumer protection. As directed by the Board, every property owner is required to attend an informational seminar that outlines the program and the application process, discloses important information about Federal Housing Finance Agency issues and potential consequences, provides information on making energy efficiency improvements, and discusses working with a contractor and identifies alternative financing considerations.

The high level of service includes expedient application processing. Complete applications are given an approval or denial in approximately eight days. On occasion we are asked why we don't offer "pre-qualification" of applicants as some other PACE administrators do. Our research indicates that these "pre-qualifications are based on third-party data sources that identify and provide the available equity on the applicant's property to the applicant and contractor. This information only considers the maximum available amount that can be financed. In the mPOWER Program, we have taken the approach that it is better to provide a more complete review of the application without the expense of obtaining third-party data to do so. This also provides a layer of consumer protection, requiring the contractor to submit a bid without knowing the maximum available amount of financing prior to submitting their bid. While pre-

qualification might seem like it provides quick and simple eligibility information, one PACE administrator who provides pre-qualification recently stated that they have a 46% denial rate as compared to the mPOWER Program total denial/withdrawal rate of 22%.

According to information provided by the California State Treasurer's Office, mPOWER is on track to fund more commercial projects than any other PACE (Property Assessed Clean Energy) programs in the state besides Sonoma County. The Board of Supervisors recently approved \$5.7 million in improvements for two of John L. Sullivan auto dealerships. The improvements at the two auto dealerships are currently underway and the first progress payment is expected in December and full funding by mid-February.

Non-residential Projects Funded by California PACE Providers

Program	Number	Amount
mPOWER Placer*	14	\$ 2,700,000
mPOWER Folsom	2	\$ 1,700,000
LA County PACE	3	\$ 7,200,000
CaliforniaFIRST	9	\$ 6,800,000
WRCOG HERO	9	\$ 1,000,000
California HERO	9	\$ 1,100,000
SANBAG HERO	1	\$ 101,000
Sonoma County Energy Independence Program	63	\$11,000,000

Source: California State Treasurer's Office

*Does not include \$5.7 million auto dealership funding is pending project completion

Other PACE providers have expressed their interest in entering the Placer County market to compete with the mPOWER Program. Given the competitiveness of the mPOWER Program, the high level of consumer protection that is integral to the mPOWER Program as directed by the Board of Supervisors, and the investment that the County has made in the mPOWER Program, staff believes it is in the best interest of the citizens of Placer County to maintain the mPOWER Program's exclusive right to operate in the County's jurisdiction. While many jurisdictions have moved to an open market of PACE providers, having an exclusive right to operate is not unique. The Western Riverside Council of Government sponsored HERO program operates under such an exclusive arrangement in Western Riverside County and the Ygrene program has had an exclusive right to operate in the City of Sacramento for the past five years.

Staff and Space for Program Expansion: Since September of 2014, when your Board authorized and directed the expansion of the mPOWER Program, the Treasurer-Tax Collector has worked with the Human Resources Department to conduct a personnel study to identify positions, job specifications and job classifications for the mPOWER Program. Given the growth of the mPOWER Program, the Human Resources Department has reviewed the mPOWER positions to update the personnel study that was conducted in the first half of 2014. At that time, the mPOWER staff consisted of two Building Inspectors supported by Treasurer-Tax Collector management staff. The personnel study concluded that new allocations should be designated for the mPOWER Program. Those allocations were Program Specialist I/II, Senior Program Specialist,

Administrative Technician, Public Information Specialist and an mPOWER Program Manager. The more recent review by Human Resources with concurrence by the County Executive Office has been to review and revise the Public Information Specialist position to a Treasurer-Tax Manager with a working title of Marketing and Government Affairs manager. The mPOWER Program Manager position is currently under review by the Human Resources and Treasurer-Tax Collector's Office to consider a broader scope related to the increased size, complexity and scope of the position given the growth and potential expansion of mPOWER. It is anticipated that once that review is completed and reviewed by the County Executive Office, the mPOWER Program Manager job specifications and any corresponding compensation adjustment will be submitted to the Civil Service Commission and then the Board of Supervisors for approval.

Over the past two years, additional staffing has been accomplished by adding temporary, part-time employees who are transitional to permanent, full-time employees at such time that the workload and other staffing considerations dictate. mPOWER is currently staffed as follows:

- 1 Senior Program Specialist
- 3 Program Specialists I/II
- 1 Program Specialist I/II (temporary, part-time)
- 1 Accounting Technician (temporary, part-time)
- 2 Accounting Technicians
- 1 Treasurer-Tax Manager (Marketing & Government Affairs)
- 2 Student Interns

Additionally, Treasury staff provides program management, disbursement, bond issuance and administrative support.

The consumer PACE market and the PACE bond market are dynamic. mPOWER is managed entrepreneurially as an enterprise fund, and as such mPOWER must have the ability and nimbleness to rapidly respond to increased property owner and contractor demand, and to respond to other interested jurisdictions and also respond to the bond market.

Given the addition of Nevada County (including the Cities of Truckee, Grass Valley and Nevada City) and the significant potential for expansion into other jurisdictions the following additional positions are recommended to be approved (Attachment B, Allocation Ordinance).

- 1 Senior Program Specialist
- 6 Program Specialists I/II (2 to be funded for the remainder of current year)
- 1 Accountant Auditor I/II (to be funded for the remainder of current year)

The Board of Supervisors is requested to approve funding for three of these positions at this time. mPOWER staff will continue to work closely with the CEO and the Board to approve future positions and funding of positions as the program grows.

Attached is a budget revision in the amount of \$27,906 (Attachment C). Salary savings to date from vacancies in the first few months of the fiscal year, a reduction in extra-help and the ongoing vacancy of the Program Manager position totals \$142,094. The amount necessary to fund two Program Specialists and one Accountant Auditor for the last half of the fiscal year is \$170,000. Therefore a budget revision in the amount of \$27,906 is necessary to cover the additional cost of filling the three positions for the remainder of the year.

Program revenues from increased applications will increase to offset the expenses related to the increased staffing. Beyond these three positions, mPOWER will continue to add staff by utilizing temporary extra-help employees until a transition to permanent full-time status is warranted. Positions will continue to be filled by transitioning temporary part-time staff to permanent full-time employees. The purpose of allocating these positions is to provide the ability to respond to market demands related to program expansion in a timely manner to avoid backlogs detrimental to participating contractors and property owners. The primary drivers for additional positions are the number of applications received and how long applications are in the queue before being worked. The Treasurer-Tax Collector will continue to take a conservative approach to staffing by continuing to add staff through the transitional process. Future funding of additional employees will require budget approval; however, by allocating the positions now, the time required to have an allocation ordinance adopted, approved for second reading and the 30 day waiting period will be avoided. As stated above, mPOWER staff will continue to work closely with the CEO and the Board to approve future positions and funding of positions as the program grows.

A contract amendment (Attachment D) is needed to increase the contract amount for Goodwin Consulting Group by \$60,000 for a total not to exceed amount of \$110,000. Goodwin Consulting Group prepares the Truth in Lending and Good Faith Estimate documents for each application. The contract is based on an amount of \$50 per set of documents provided for each application. Cost of the Goodwin document preparation is covered by the \$500 application processing fee charged to applicants. Goodwin Consulting also prepares the levy for the PACE assessments that are added to the property tax roll each year. The cost for levy preparation is \$20 per parcel.

Program Report and Guidelines: From time-to-time your Board has considered and acted on recommended changes to the mPOWER Program Report as experience has dictated the need. At this time, it is recommended that your Board approve two changes to the program report.

The first change is an exception to the property owner qualifications. The current qualifications require a property owner to be current on property tax payments and not have a record of default for the past three years. This qualification does not consider the unique circumstances related to supplemental tax bills generated due to value increases from an assessable event such as an addition, remodel or increase in value from prior owner. Supplemental property taxes are billed outside of the regular tax cycle and are not typically included in escrow or impound accounts. This often creates confusion for the property owner sometimes resulting in the default of a supplemental bill for a taxpayer who otherwise has a record of timely payment. For this reason, it is

recommended that an exception be included in the property owner qualifications for defaulted supplemental bills.

The second change is the waiver of the prepayment premium required in the first five years of the assessment. The assessment contract executed by property owners includes a provision for a premium on prepayment of the assessment during the first five years. In recent months, there has been an increase in the number of prepayments required by lenders as a result of refinancing or sale transactions, and therefore an increase in the number of prepayment premiums incurred by property owners. Due to the near universal requirement by lenders that the PACE lien be paid-off, staff recommends that the prepayment premium be waived consistent with most other PACE programs in California. In recent weeks, staff has fielded questions and met with members of the real estate community who have been frustrated by the unwillingness of lenders to allow PACE liens to transfer to new property owners. Given the unanticipated amount of prepayments and the expense and complication of the prepayment premium for property owners, the Board of Supervisors is asked to approve the authorization for the Treasurer-Tax Collector to waive the prepayment premium. There have been 33 prepayments over the life of the program, resulting in a total amount of prepayment premiums collected to date of \$45,512.52.

A copy of the Program Report is on file with the Clerk of the Board.

Fiscal Impact:

The expansion of the mPOWER Program and the exclusive authority to operate the mPOWER Program in Placer County is expected to increase and protect revenues. Revenues are expected to be consistent; however, precise figures are dependent upon actual program expansion.

The fiscal impact of allocating and funding three positions outlined above is an increased cost of \$27,906. This cost is offset by increased program revenues in the amount of \$27,906. The increase in the Goodwin Consulting Group contract is already included in the approved budget and is covered by the \$500 application processing fee.

Revenue generated from prepayment penalties are not budgeted, therefore there is no budgetary impact.

Changes to the Program Report do not result in a fiscal impact.

Conclusions and Recommendations

Based on the foregoing information and the information provided in the accompanying Board presentation, it is recommended that the Board take the following actions.

- 1) Adopt the attached resolution affirming the Board's support of the mPOWER program and its direction to expand the mPOWER Program to jurisdictions outside of Placer County and affirming the mPOWER Program's exclusive right to provide a PACE program in the jurisdiction of Placer County.
- 2) Introduce the attached ordinance allocating 1 Senior Program Specialist, 6 Program Specialists I/II and 1 Accountant Auditor I/II to address growth and

expansion of the mPOWER Program, and waive further reading of the ordinance.

- 3) Approve the attached budget revision in the amount of \$27,906 to provide funding for three of the requested position allocations to address the growth and expansion of the mPOWER Program.
- 4) Approve changes to the mPOWER Program Report regarding waiver of prepayment premiums and property owner qualifications.
- 5) Approve a \$60,000 increase in the contract with Goodwin Consulting Group from \$50,000 to \$110,000 for services associated with truth-in-lending and good faith estimate calculations provided to applicants and for annual assessment levy preparation.

Attachments: A) Resolution Regarding Program Expansion
B) Allocation Ordinance
C) Budget Revision
D) Goodwin Contract Amendment
E) mPOWER Statistical Report for October 2015
F) PACE Program Comparison Matrix
G) PACE Loss Reserve Program Report

Attachment A

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resol. No: _____

**A Resolution in support of the mPOWER Program
expansion and exclusive right to provide PACE
financing in the jurisdiction of Placer County.**

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held on _____,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, on October 6, 2009, the Board of Supervisors in a unanimous vote requested that steps for implementing and developing an AB 811 program be brought back to the Board, and

WHEREAS, on December 8, 2009, the Board of Supervisors unanimously adopted Resolution 2009-343 declaring the County's intention to finance distributed generation renewable energy sources, energy efficiency improvements and water efficiency improvements through the use of voluntary contractual assessments pursuant to Chapter 29 of Part 3 of division 7 of the California Streets and Highways Code and setting a public hearing for the matter, authorized the establishment of an enterprise fund for the budgeting, reporting and financial transactions of the Placer mPOWER program, and approved a budget revision for the revenues and expenditures in the enterprise fund, and authorized the Treasurer-Tax Collector to take other actions necessary for the implementation of an AB 811 program, and

WHEREAS, on January 26, 2010, the Board of Supervisors conducted a public hearing regarding the mPOWER Program Report and unanimously adopted Resolution 2010-22 approving and confirming the Program Report and approving certain actions and authorizations related to the implementation of the mPOWER Program, and

WHEREAS, on February 9, 2010, the Board of Supervisors conducted a public hearing to consider (i) the proposed issuance of revenue bonds by the Placer County Public Financing Authority (the "Authority"), (ii) a loan (the "Loan") by the Authority to the County from the proceeds of the Authority Bonds for the purpose of financing the installation of distributed generation renewable energy, energy efficiency and water efficiency improvements that are permanently fixed to real property, and (iii) whether there are any significant public benefits to the County, in accordance with Section 6586 of the Government Code, from the issuance of the Authority Bonds, the making of the Loan and the installation of the Authorized Improvements, and

WHEREAS, on February 9, 2010, the Board of Supervisors unanimously adopted Resolution 2010-25 authorizing and approving the issuance of Bonds by the Placer County Public Financing Authority (the "Authority"), a Loan Agreement between the Authority and the County on behalf of the Placer mPOWER Program and other financing documents to provide financing for the Placer mPOWER Program, and

WHEREAS, on May 18, 2010, the Board of Supervisors received a update on the mPOWER Program from the Treasurer-Tax Collector, and

WHEREAS, on May 18, 2010, the Board of Supervisors unanimously adopted Resolution 2010-114 approving the mPOWER Placer Program Report to conform to recently released Department of Energy Program Guidelines and to provide clarification related to industry standards, and

WHEREAS, on July 13, 2010, the Treasurer-Tax Collector made a report to the Board regarding the developments with the Federal Housing Finance Agency and indicating that processing of applications had been suspended pending future Board discussion, and

WHEREAS, on July 27, 2010, the Board of Supervisors unanimously adopted Resolution 2010-201 formally suspending mPOWER Placer residential application acceptance and processing as long as the July 6, 2010 FHFA statement is in effect, and

WHEREAS, on July 27, 2010, the Board of Supervisors unanimously adopted Resolution 2010-202 in support of PACE programs and requesting congressional action to bring satisfactory resolution to the FHFA situation, and

WHEREAS, on July 12, 2011, the Treasurer-Tax Collector provided the Board of Supervisors with an mPOWER Program update, and the Board of Supervisors unanimously approved certain administrative changes to the Program Report and Administrative Guidelines, and

WHEREAS, on October 25, 2011, the Board of Supervisors unanimously adopted Resolution 2011-298 authorizing the borrowing of funds for the mPOWER Program for the 2011-12 fiscal year in an amount not to exceed \$5 million, and

WHEREAS, on June 18, 2013, the Board of Supervisors received an mPOWER Program update, and unanimously adopted Resolution 2013-134 authorizing the resumption of the mPOWER residential program, and approving a public hearing on July 9, 2013 regarding mPOWER application processing fees, and

WHEREAS, on July 9, 2013, the Board of Supervisors conducted a public hearing and unanimously adopted Resolution 2013-149 authorizing the collection of a residential application processing fee of \$500 and a non-residential application processing fee of \$1,300, and

WHEREAS, on July 9, 2013, the Board of Supervisors unanimously adopted Resolution 2013-150 authorizing a change in interest rates for the mPOWER Program, and received other information about the current status of the mPOWER Program, and

WHEREAS, on September 24, 2013, the Board of Supervisors unanimously authorized the Treasurer Tax Collector to take the actions necessary to establish and administer PACE Programs in jurisdictions outside of Placer County boundaries, and to approved other administrative actions related to establishing and administering PACE programs in other jurisdictions, and

WHEREAS, on March 25, 2014, the Board of Supervisors unanimously adopted Resolution 2014-070 authorizing mPOWER Placer's participation in the California Alternative Energy and Advanced Transportation Authority's PACE Loss Reserve Program, and

WHEREAS, on June 2, 2015, the Board of Supervisors unanimously adopted Resolution 2015-108 authorizing the refunding and sale of mPOWER Bonds in the amount of \$10,000,000 and other associated actions, and

WHEREAS, on June 16, 2015, the Board of Supervisors unanimously adopted Resolution 2015-126 increasing the total amount of bounds to be issued and sold to \$100 million, and

WHEREAS, on August 18, 2015, the Board of Supervisors unanimously adopted Resolution 2015-175 authorizing the formation of the Sierra Valley Energy Authority for the purpose of further expanding the mPOWER Program.

NOW THEREFORE BE IT RESOLVED, the Board of Supervisors hereby affirms its support of the mPOWER Program and the expansion of the mPOWER Program to jurisdictions outside the boundaries of Placer County, and

BE IT FURTHER RESOLVED THAT, the Board of Supervisors hereby confirms the exclusive right of the mPOWER Program to provide PACE financing to property owners in the jurisdictional boundaries of Placer County.

Attachment B

Before the Board of Supervisors County of Placer, State of California

In the matter of: An ordinance amending the un-codified Allocation of Positions to the mPOWER Program for the 2015-16 Fiscal Year.

Ordinance No: _____

First Reading: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held on _____.

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. That the un-codified Allocation of Positions to the mPOWER Program is amended to add the following positions:

TREASURER-TAX COLLECTOR

(b) mPOWER

Accountant Auditor I/II 1

mPOWER Program Specialists I/II 3 **9**

mPOWER Program Specialist – Senior 4 **2**

Section 2. That this ordinance amendment is adopted as an un-codified ordinance.

Section 3. That this ordinance shall be effective 30 days following its final passage.

Attachment C

PLACER COUNTY

PAS DOCUMENT NO.

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
BR		55,812.00	1

- Cash Transfer Required
- Reserve Cancellation Required
- Establish Reserve Required

- 11/6/15 Auditor-Controller
- County Executive
- Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT

APPROPRIATION ADJUSTMENT

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
22	006		235	100	992310	92310	6970			27,906.00	22	014		235	100	992310	92310	1002			27,906.00
TOTAL											TOTAL										
27,906.00											27,906.00										

REASON FOR REVISION: Budget revision requested for additional personnel needed due to expansion of mPOWER AB811 program.

Prepared by Cindy Badrue Ext 4138

Department Head Jenine Windeshausen

Board of Supervisors _____

Date: 11/6/15

Page: 1 of 1

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

Attachment D

Administering Agency: Placer mPOWER Program
Contract No. : KN021176
Contract Description: Assessment Lien Administration

CONSULTANT SERVICES AGREEMENT

AMENDMENT NO. 1

THIS AGREEMENT, originally executed December 17, 2014 by and between the County of Placer ("County"), and **Goodwin Consulting Group, Inc.** ("Contractor"), is hereby amended as described below:

• **Reference Section 2 – Payment:**

The total amount of this contract is increased to One Hundred Ten Thousand dollars (\$110,000), an increase of \$60,000.

With the exception of the above, all other provisions of this contract are unchanged.

///

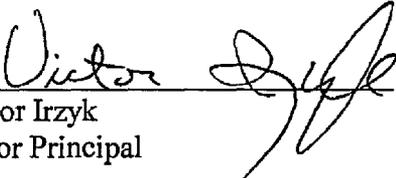
Executed as of the date indicated below:

COUNTY OF PLACER:

By: _____
Name: Brett Wood
Title: Purchasing Manager

Date: _____

GOODWIN CONSULTING GROUP INC.

By: 
Name: Victor Irzyk
Title: Senior Principal

Date: 11-6-15

Attachment E



mPOWER

SAVE MONEY. CONSERVE ENERGY. CREATE JOBS.

Statistical Report

mPOWER Placer

Month Ending October 31, 2015

Program to Date

NOW SERVING THE CITIES of AUBURN, COLFAX, FOLSOM, LINCOLN, LOOMIS, ROCKLIN, ROSEVILLE, and the UNINCORPORATED AREAS of PLACER COUNTY



MPOWER

SAVE MONEY. CONSERVE ENERGY. CREATE JOBS.

Statistical Report for Placer County

Month Ending October 31, 2015

Program to Date

<u>Assessment Applications:</u>	<u>Total</u>		<u>Residential</u>		<u>Commercial</u>	
Received:	1,925	54,157,949	1,880	43,415,549	45	10,742,400
Approved:	1,315	50,857,057	1,293	40,800,396	22	10,056,661
Funded:	1,126	35,745,983	1,112	32,970,190	14	2,773,826
Average Funded:		31,744		29,650		198,130
In Progress	362		346		16	
Denied:	115		110		5	
Withdrawn:	322		312		10	
Paid off Assessments	33	998,599				

Month to Date:

Total Applications Received in October 2015: 107 \$ 2,488,568

Contracting Firms with Active or Funded Applications: 307

Average Approval Time: 7 – 14 working days

Estimated number of construction jobs created = 714 Jobs (20 jobs/\$million)¹

Green House Gas Emission Savings: 2,570 tons, equivalent to 496 cars off the road annually

Financed Improvements to Date

1439² = \$ 35,745,893

Solar PV	936	\$ 29,487,361
HVAC	197	2,944,850
Roof	44	1,166,548
Windows/Doors	69	824,049
Water Heater	34	347,626
Insulation	53	319,305
Pool Equipment	53	242,981
Custom	1	153,710
Water Improvements	35	199,397
Stove	6	29,675
Lighting	11	30,481
Total	1,439	\$ 35,745,983

¹ American Council for an Energy-Efficient Economy.

(An estimated 17.3 per million additional jobs are created from increased disposable income generated from decreases in utility costs.)

² Financed improvements to date include 313 applications with multiple improvements.

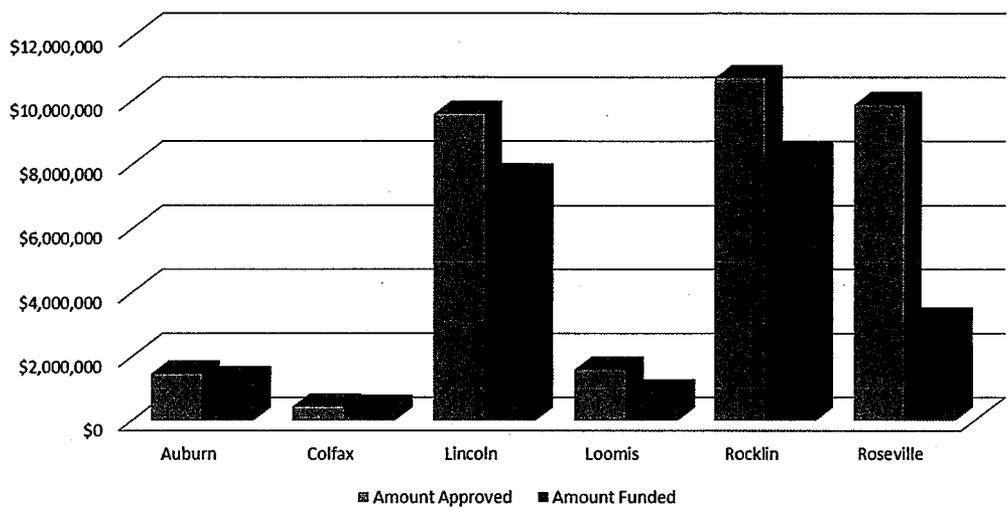


MPOWER

SAVE MONEY. CONSERVE ENERGY. CREATE JOBS.

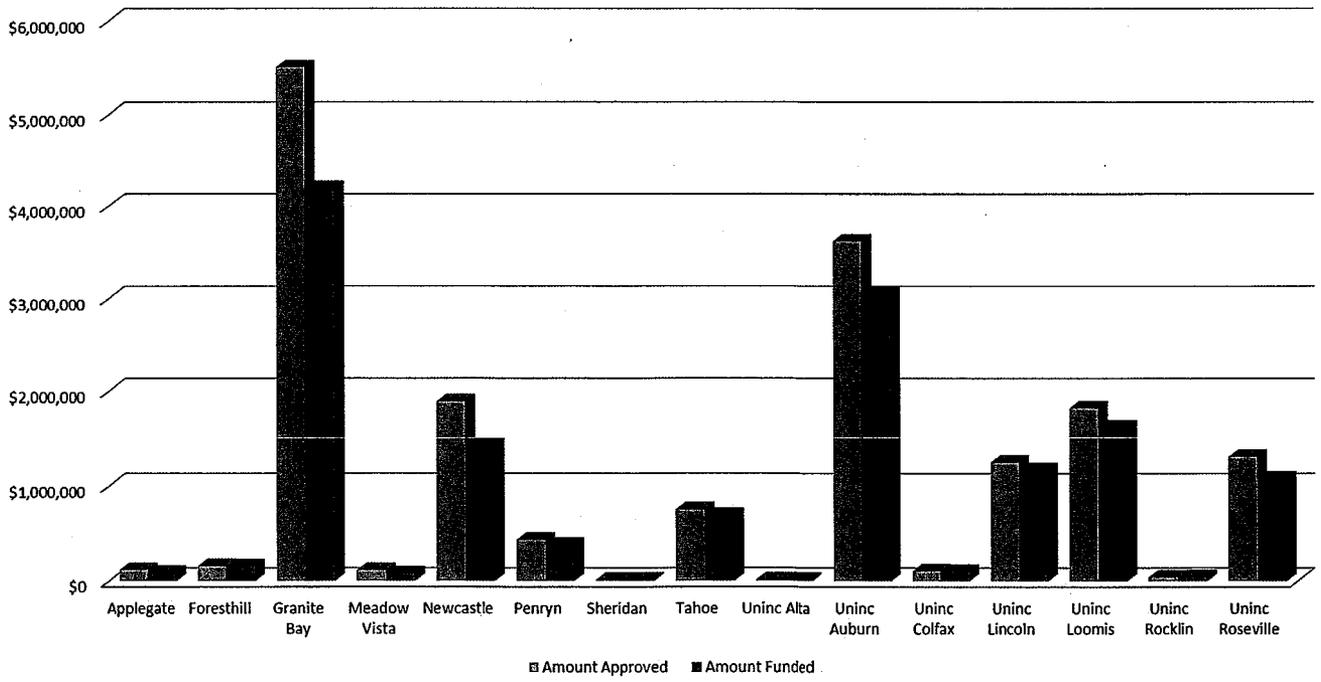
Applications Approved and Funded by City

Placer County
October 31, 2015
Program to Date



Applications Approved and Funded by Unincorporated Areas

Placer County
October 31, 2015
Program to Date





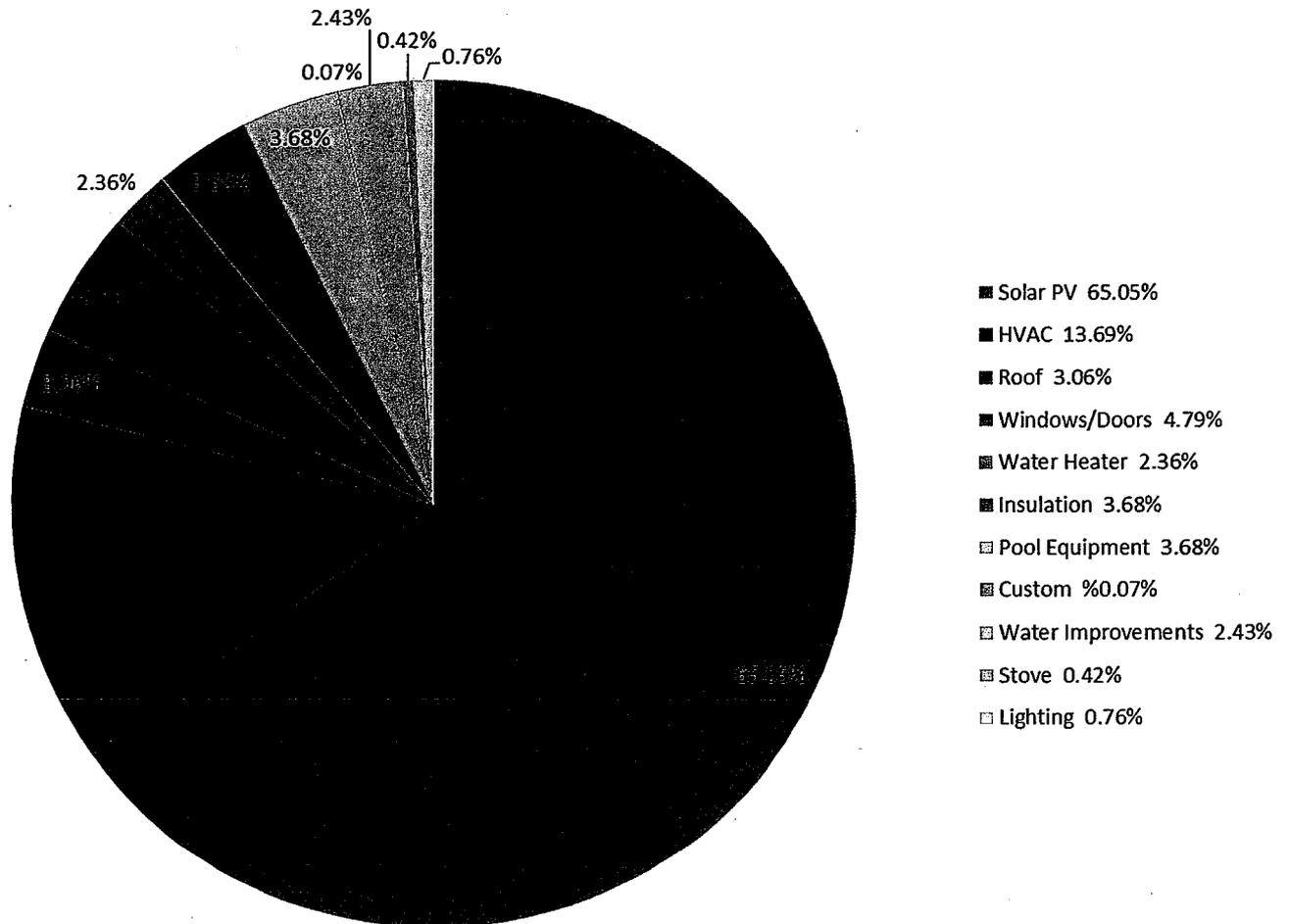
MPOWER

SAVE MONEY. CONSERVE ENERGY. CREATE JOBS.

Financed Improvements by Number of Projects

October 31, 2015

Program to Date





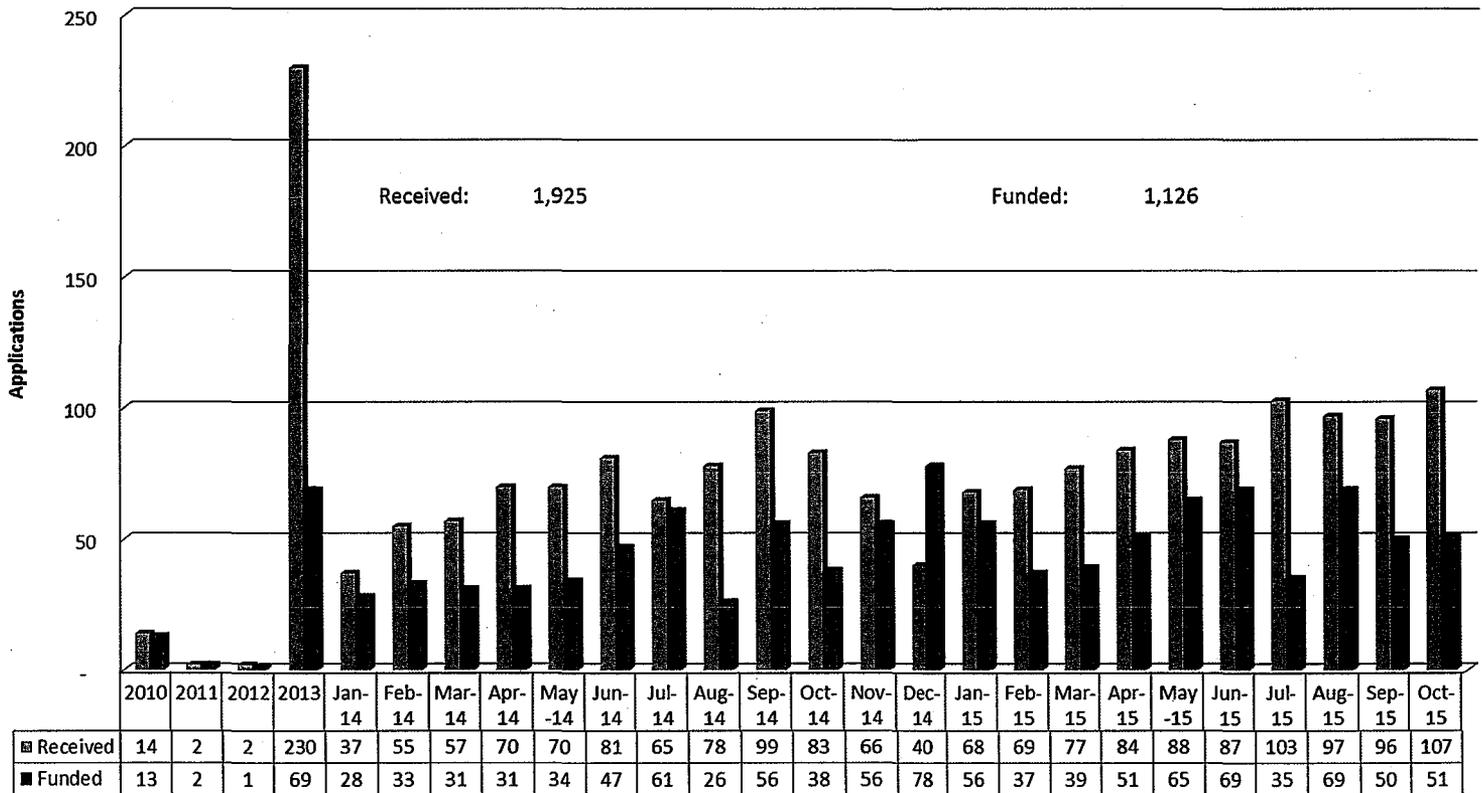
MPOWER

SAVE MONEY. CONSERVE ENERGY. CREATE JOBS.

Number of Applications Received and Funded

October 31, 2015

Program to Date



Applications Funded (Cumulative Dollar Amount in Millions)

October 31, 2015

Applications Funded

2010	2011	2012	2013	2014	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
0.68	0.79	1.12	3.32	20.44	22.19	23.39	24.48	25.77	27.64	29.75	30.80	32.88	34.30	35.74



MPOWER

SAVE MONEY. CONSERVE ENERGY. CREATE JOBS.

Placer County Summary of Funded Applications by District and Improvements												
Program to Date												
October 31, 2015												
	Funded	Solar	HVAC	Water	Lighting	Windows Doors	Insulation	Roof	Pool Equip	Water Heater	Stove	Custom
1												
Roseville	1,859,430	52	20	4	1	4	6	4	6	1	1	
Uninc Roseville	320,610	12							1			
	\$ 2,180,040	64	20	4	1	4	6	4	7	1	1	
2												
Lincoln	761,926.22	262	24	4		3	7	1	5	2		
Newcastle	279,770	7	1									
Rocklin	2,977,521	97	18	3		5	2		10	3		
Sheridan	15,228		1				1					
Uninc Auburn	119,285	3				1						
Uninc Lincoln	1,175,366	28				1	1	1				
	\$ 12,186,434	397	44	7	-	10	11	2	15	5	-	-
3												
Auburn	42,410	1										
Loomis	887,497	20	7		1	2	2	1	2	1		
Newcastle	1,155,564	32	5			1		1				
Penryn	381,206	9						1				
Rocklin	5,311,669	136	39	6	1	11	10	2	6	4		
Uninc Auburn	797,190	17	2	1		2	2			5		
Uninc Loomis	1,368,754	31	4			1		1	3	3	3	
Uninc Rocklin	43,488	1	1							1		
	\$ 9,987,778	247	58	7	2	17	14	6	11	14	3	-
4												
Granite Bay	4,198,703	89	24	5	4	7	7	12	8	2		
Roseville	1,268,073	22	19	4		12	4	8	6	3	1	
Uninc Loomis	255,426	5	1			1						
Uninc Roseville	764,227	15	2	1	1	1		5	1	1		
	\$ 6,486,430	131	46	10	5	21	11	25	15	6	1	-
5												
Applegate	85,535	1	1			1	2					
Auburn	1,246,844	33	10	3	1	6	5	2	3	1		
Colfax	385,087	8										
Foresthill	154,219	2	2					1		2		
Meadow Vista	79,444	2	1									
Tahoe	693,318		2		1	1		1		1	1	1
Uninc Alta	15,911		1									
Uninc Auburn	2,143,254	48	11	3	1	6	3	3	2	4		
Uninc Colfax	101,690	3	1	1		3	1					
	\$ 4,905,301	97	29	7	3	17	11	7	5	8	1	1
Grand Total	\$ 35,745,983	936	197	35	11	69	53	44	53	34	6	1



MPOWER

SAVE MONEY. CONSERVE ENERGY. CREATE JOBS.

Approved/Funded Commercial Projects						
Program to Date						
October 31, 2015						
Location	Type of Business	Type of Improvement	Amount Approved	Amount Funded	Fund Date	Term
Colfax	Motel	Solar PV	\$145,186.00	\$145,186.00	2-Sep-10	20
Loomis	Plant Nursery	Solar PV	120,473	118,044	21-Oct-10	20
Roseville	CPA Firm	Solar PV	72,000	71,790	16-Jun-11	20
Uninc Lincoln	Machine Shop	Solar PV	41,430	38,566	6-May-11	20
Uninc Auburn	RV Park	Solar PV	354,607	331,162	16-Feb-12	20
Roseville	Auto Repair	Solar PV	100,000	100,000	18-Jul-13	20
Rocklin	Gas Station	Solar PV	130,557	128,657	20-Nov-14	20
Rocklin	Pharmaceutical	Solar PV	92,086	87,872	1-May-14	20
Rocklin	Pharmaceutical	Solar PV	127,334	121,507	1-May-14	20
Lincoln	Dental Office	Solar PV	44,338	42,942	6-Mar-14	20
Tahoe	Ski Resort / Conf. Center	Multiple Energy Efficiency Impr.	718,184	657,364	7-Aug-14	20
Rocklin	Mobile Home Park	Solar PV	747,592	723,396	18-Dec-14	20
Uninc Auburn	Car Wash	Solar PV	146,403	142,070	8-Jan-15	20
Newcastle	Equestrian Center	Solar PV	66,421	\$ 65,270	17-Sep-15	10
Rocklin	Charter School	Solar PV	307,102	In progress		
Rocklin	Doctor's Office	Solar PV	79,669	In progress		
Granite Bay	Chiropractic Office	Solar PV	145,795	In progress		
Lincoln	Church	Solar PV	196,398	In progress		
Rocklin	Commercial Office	Solar PV, Cool Roof	236,886	In progress		
Loomis	RV Park	Solar PV	449,791	In progress		
Roseville	Auto Dealership	Solar PV	2,039,513	In progress		
Roseville	Auto Dealership	Solar PV	3,694,897	In progress		
			\$ 10,056,661	\$ 2,773,826		

Attachment F

PACE Program Comparison

Policy	mPOWER	CaliforniaFIRST	Figtree PACE Program	HERO	County Clean Energy CDF (Ygrene)
Authorization	AB811: Assessment District. Contractual assessment district under the Streets and Highways Code – the City of Folsom Program is an SB 555 Mello- Roos CFD.	AB811: Assessment District. Contractual assessment district under the Streets and Highways Code	AB811: Assessment District. Contractual assessment district under the Streets and Highways Code	AB811: Assessment District. Contractual assessment district under the Streets and Highways Code	SB 555: Mello-Roos CFD. The Mello-Roos Community Facilities Act of 1982 in the Government Code. Also notes AB811: Assessment District. Contractual assessment district under the Streets and Highways Code
Government Entity	Placer County JPA for new members (details being finalized)	California Statewide Communities Development Authority (CSCDA): A joint powers authority (JPA) sponsored by the California State Association of Counties and the California League of Cities.	California Enterprise Development Authority (CEDA): The CEDA JPA was established by the California Association for Local Economic Development (CALED).	Western Riverside Council of Governments (WRCOG)	County of Sacramento, Citrus Heights, Elk Grove, Galt and Rancho Cordova SB555. Golden State Finance Authority (formerly known as CA Home Finance Authority) statewide validation was completed in 2015 for both SB555 and AB811
Program Administrator	mPOWER Placer (Placer County)	Renew Financial	Figtree Company, Inc.	<u>Commercial:</u> Samas Capital <u>Residential:</u> Renovate America	Ygrene Energy Fund
Participating jurisdictions	Placer County, Roseville, Lincoln, Auburn, Rocklin, Colfax, Loomis, and Folsom.	186 jurisdictions in the state including Citrus Heights, Elk Grove, Galt and Rancho Cordova.	82 municipalities throughout California including Elk Grove.	185 jurisdictions in the state: Active in 137 jurisdictions; 48 will launch in March 2015 including Citrus Heights and Rancho Cordova.	96 municipalities in 31 counties
Projects / costs	1,094 projects for \$34.04 million	300 projects for \$20 million	30 projects for \$14 million	22,537 projects for \$422million.	3,300 projects over \$259 million
Lien	Contractual assessment	Contractual assessment	Contractual assessment	Contractual assessment	Special tax
Interest Rates	<u>Commercial:</u> Fixed 6% <u>Residential:</u> Fixed 6%	<u>Commercial:</u> Under \$150K – 6.75%; Over 150K – 6.5% <u>Residential:</u> Fixed Interest rate ranges from 5 yrs: 6.75%, 10 yrs: 7.59%, 15 yrs: 7.99%, 20 yrs: 8.29%, 25 yrs: 8.39% (Based on Treasuries.)	<u>Commercial:</u> 4.63% to 6.5% (Based on term of assessment and tied to market rates.) <u>Residential:</u> 4.5% to 6.99% (Based on term of assessment and tied to market rates.)	<u>Commercial:</u> 5.75% to 6.5% <u>Residential:</u> 5.95% to 8.95%. (Based on term of assessment.)	<u>Commercial:</u> 5.99% to 7.75% <u>Residential:</u> Fixed interest rates tied to Libor-currently 4.25% to 9.54%. <i>NOTE: Range quoted as amount varies depending upon which Ygrene document referenced.</i>
Term	Property owner preference of 5, 10, 15 or 20 years, but no longer than useful life of improvement	5 to 20 years based on useful life of improvement. Would like to offer new 25 year term (mandatory O&M policy) for solar	5 to 20 years based on useful life of improvement		5, 10, 15, 20, and solar project eligible for up to 30 based on owner preference and useful life of improvement
Lender Notification or Consent	<u>Commercial:</u> Lender consent <u>Residential:</u> None (Notification is encouraged but not required.)	<u>Commercial:</u> Lender consent <u>Residential:</u> None (Notification is encouraged but not required.)	<u>Commercial:</u> Lender consent <u>Residential:</u> None (Notification is encouraged but not required.)	<u>Commercial:</u> Lender consent <u>Residential:</u> None	<u>Commercial:</u> Lender notification issued. No waiting period. <u>Residential:</u> Lender required notification <i>NOTE: Multiple reports from participants/contractors indicated not required</i>

PACE Program Comparison

Policy	mPOWER	CaliforniaFIRST	Figtree PACE Program	HERO	County Clean Energy CDF (Ygrene)
Disclosure	-Residential disclosure included in application, assessment contract, and in person seminar related to FHFA statements and disclosing lender or future lenders or buyers could require lien pay-off. -Truth-in-Lending Disclosure -Good Faith Estimate. -Adhere to Housing Financial Discrimination Act.	Disclosures in application – throughout the process.	Applicants receive disclosures stating that their lender, future lenders, or buyers could require the PACE assessment lien to be paid-off prior to the scheduled maturity. Applicants also receive a disclosures stating the APR associated with their specific PACE assessment.	-Language included in application, Assessment Contract, and website. A major training point for contractors. -Disclose that program assessment may need to be paid in full. -By law, property owners must provide notice of the assessment to the buyer prior to sale of the property.	-Acknowledgement of sole responsibility to deal with lender -Release of liability language
Min. Financing Amount	\$2,500	\$5,000	<u>Commercial</u> : \$5,000 <u>Residential</u> : \$2,500	\$5,000	<u>Commercial</u> : \$2,500 <u>Residential</u> : \$2,500
Max. Financing Amount	<u>Commercial</u> : 10% of property value, unless lender consents for greater amount or no lender. <u>Residential</u> : 10% of property value, unless lender consents for greater amount, not to exceed 15%	<u>Commercial</u> : 20% of property value. <u>Residential</u> : 15% of property value for properties less than \$700,000, 10% for properties greater than \$700,000.	<u>Commercial</u> : 20% of property value. 10% allowed in most instances. <u>Residential</u> : 15% of property fair market value for properties less than \$700,000, 10% for properties greater than \$700,000.	<u>Commercial</u> : 20% of property value. <u>Residential</u> : 15% of property fair market value for properties less than \$700,000, 10% for properties greater than \$700,000.	10% of fair market value <i>Note: some Ygrene documents show %15</i>
Pre-lien loan to value	<u>Commercial</u> : 90% of assessed value or fair market value whichever is greater, ratio can be lower in some circumstances if lender consents. <u>Residential</u> : 90% of assessed value or fair market value whichever is great value.	90% of fair market value.	<u>Commercial</u> : 100% of assessed value. <u>Residential</u> : 90% of fair market value.	90% of fair market value.	90% fair market value
Post-lien loan to value	100% of assessed value or fair market value whichever is greater	100% of fair market value.	<u>Commercial</u> : 120% of assessed value (subject to lender consent) <u>Residential</u> : 100% of fair market value.	100% of fair market value.	100% fair market value
Total aggregate property taxes/ assessments	Per state law Max 5%	5% of market value, determined at the time of approval of the Assessment Contract.	Per state law max 5% of market value.	5% of market value, determined at the time of approval of the Assessment Contract.	Residential: Ranges form 5 years at 4.5% to 20 years at 3.1%

PACE Program Comparison

Policy	mPOWER	CaliforniaFIRST	Figtree PACE Program	HERO	County Clean Energy CDF (Ygrene)
Capitalized Interest	Up to 14 months, as needed to cover period to next bond payment.	Includes an amount equal to the first tax year's contractual assessment installments.	Up to 387 days.	Includes an amount equal to the first tax year's contractual assessment installments.	Allows up to one year, as needed to cover period to next tax lien filing (June)
Prepayment Penalty	-Year 1: 5% -Year 2: 4% -Years 3-5: 3% -Years 6-20: None	None	<u>Commercial:</u> -Years 1-5: 5% -Years 6-10: 3% -Years 11-20: None <u>Residential:</u> None	<u>Commercial:</u> 5% <u>Residential:</u> None	3%. (Property owners may opt in for pre-payment penalty protection by agreeing to a higher interest rate.)
Credit History Requirements	-No property tax default in past three years or since ownership whichever is shorter. -No mortgage notice of default in past five years. -No civil record for five years of failure to make property related debt payments. -No involuntary liens.	Mortgage payments and property taxes current in past three years and has no more than one late payment.	Mortgage payments and property taxes current and not late in the past three years.	Mortgage payments and property taxes current and not late in the past twelve months for mortgages and in the last three years for property taxes.	Mortgage payments and property taxes current and not late in past 3 years
Bankruptcy History Requirements	Must be five years since <u>date of discharge</u> ; evidencing ability to operate without bankruptcy protection.	Must not have filed for in the past two years.	<u>Commercial:</u> Must not have filed for in the past five years. <u>Residential:</u> Must not have filed for in the past seven years.	Must not have filed for in the past seven years; may be approved if bankruptcy is more than two years old and there are no additional late payments more than 60 days past due in last 24 months.	Must not have filed for past 3 years
Participates in PACE Loss Res. Program (CA State)	Yes	Yes	Yes – will join as soon as the first residential project is funded (expected launch is April, 2015)	Yes	Yes. (As of 2015.)
Legal Validation	Yes. Currently amending JPA to facilitate new members.	Yes. Legal validation for entire state complete.	Yes; the program received a statewide judicial validation for both residential and commercial in 2012.	On a quarterly basis, WRCOG files an Ex Parte to include those jurisdictions that have adopted Resolutions of Participation.	Yes. County of Sacramento, Citrus Heights, Elk Grove, Galt and Rancho Cordova SB555. Golden State Finance Authority (formerly known as CA Home Finance Authority) statewide validation was completed in 2015 for both SB555 and AB811

PACE Program Comparison

Policy	mPOWER	CaliforniaFIRST	Figtree PACE Program	HERO	County Clean Energy CDF (Ygrene)
Property Owner Fees/Costs	<p><u>Commercial:</u></p> <ul style="list-style-type: none"> - Application fee \$1,300 (charged at closing) <p><u>Residential:</u></p> <ul style="list-style-type: none"> - Application fee \$500 (charged at closing) - Title Fee: \$140 - Recording Fee: \$66 - Title & statement fees: \$190 - Annual Admin Fee: \$25 	<p><u>Commercial:</u></p> <ul style="list-style-type: none"> - No application fee - Closing fees vary depending on project size: 3.7%-6% <p><u>Residential:</u></p> <ul style="list-style-type: none"> - No application fee - Closing fees expected to be less than 6.5% 	<p><u>Commercial:</u></p> <ul style="list-style-type: none"> - Processing fee: \$695 - Closing fee: 4% - Administrative fee: \$30 per \$1,000 dollars financed annually <p><u>Residential:</u></p> <ul style="list-style-type: none"> - Annual Admin Fee \$35 - Closing fee 5.95% 	<p><u>Commercial:</u></p> <ul style="list-style-type: none"> - Application fee \$500 or 1% of project, whichever is lower - Recording Fee \$95 - Annual Admin Fee \$430 - Admin fee 5.825% <p><u>Residential:</u></p> <ul style="list-style-type: none"> - No application fee - Document Recording \$95 - Annual Admin Fee \$35 - Admin fee 6.95% 	<p><u>Commercial fee:</u></p> <ul style="list-style-type: none"> - Application fee \$1320 to \$2080 plus 3% of contract (charged to contractor) <p><u>Residential:</u> \$884 flat fee per completed project plus 3% of contract (charged to contractor)</p> <ul style="list-style-type: none"> - Annual Admin Fee \$40 to cover cost to jurisdiction. Tax-collector to put fee on annual roll. - Application Fee \$50 which is included in program with \$250 recording and disbursement, escrow and title insurance
Fees to Contractor	None	None	<p><u>Commercial:</u> \$695 per year</p> <p><u>Residential:</u> none</p>	None	3%
Consumer Protection	<ul style="list-style-type: none"> - Property Owner Seminar: C25 property owners/contractors required to attend seminar prior to processing application that explains the program, the application process, requirements for approval, and information and resources related to finding and selecting a contractor - Projects are reviewed during application processing. - Final Building permit or project verification must be submitted at or before request for payment - Disclosure, Notices and Rights to Rescind: Truth-in-Lending Disclosure, Good Faith Estimate, Housing Financial Discrimination Act and Three Day Notice of Right to Rescind 	<ul style="list-style-type: none"> - Permits required - Verify license status with CCLB - BBB grade of "B" or better - Meets CCLB bonding and workers' comp requirements - Min \$1M liability insurance - Min 1-year in business - All eligible products installed by Participating Contractors - Products must meet efficiency/performance standards - Homeowner must sign Project Completion Certificate before payment - Dispute resolution - Third party verification of completed work 	<ul style="list-style-type: none"> - Permits required - Contractors must meet minimum licensing and insurance requirements in addition to completing a mandatory PACE training session - Property owners and contractors must verify work was properly completed before payment - Figtree reviews each scope of work to ensure the prices charged to the consumer are consistent with rates being charged by other contractors in the region. - Live interaction between Figtree, a customer representative and each property owner prior to funding 	<ul style="list-style-type: none"> - Registered Contractors - CSLB Confirmation, Insured, Bonded - Contractor Training - Identity Verification - In Good Standing - Product Eligibility Check - Fair Pricing - Permits Required - Terms Confirmation - Paid Upon Job Completion - Dispute Resolution 	<ul style="list-style-type: none"> - Permits are required for all work financed - Contractors must meet minimum licensing and insurance requirements - Completing a mandatory trading and certification, recertified every year - Funds are not disbursed to contractors until property owners and contractors have verified work was properly completed - Ygrene reviews each scope of work to ensure the prices charged to the consumer are consistent with rates being charged by other contractors in the region - Acknowledgment of Sole Responsibility to Deal with Lender, Release of Liability language - Dispute Resolution

PACE Program Comparison

Policy	mPOWER	CaliforniaFIRST	Figtree PACE Program	HERO	County Clean Energy CDF (Ygrene)
Additional Information	-Has Power Purchase Agreement financing -Has flexibility to change/customize most components			Additional protections put in place for elderly and non-English speaking customers	

Attachment G



California State Treasurer
John Chiang



[Home](#) | [Open Government](#) | [Careers](#) | [Contact](#)

Search

[Home](#) [CAEATFA Home](#) [Contacts](#) [Publications](#)

[Home](#) -> [CAEATFA](#) -> [PACE](#) -> Program Activity



CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

Property Assessed Clean Energy (PACE) Loss Reserve Program

Program Activity

Enrollment

After the PACE Loss Reserve Program's launch, in June 2014 the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) initially enrolled eight PACE programs with a total of 17,401 residential PACE financings valued at over \$350 million. To date, 24,423 residential PACE financings valued at about \$499 million are covered by the PACE Loss Reserve.

Enrolled PACE programs must report to CAEATFA on the size and status of their portfolios in March for activity from July–December of the previous year, and in October for activity from January–December of the same year. Each eligible financing included in the semi-annual reports is enrolled in and covered by the loss reserve. The October reports also include information on estimated annual environmental savings resulting from the funded projects, to the extent that information is available.

The table below details the number and principal value of financings enrolled as of March 2015, representing financings issued by enrolled PACE programs through December 31, 2014, and estimated environmental savings from financings issued through June 30, 2014.

Program Name	Initial Application (June 2014)		July–December 2014 Reporting Period		Total Enrolled		Estimated Annual Environmental Savings from Enrolled Financings
	Count	Value	Count	Value	Count	Value	
mPOWER Placer	464	\$10,502,382.62	312	\$9,540,534.04	776	\$20,042,916.66	2,296,483.86 kWh*
mPOWER Folsom	3	\$54,181.18	4	\$86,847.90	7	\$141,029.08	11,403 kWh*
Berkeley Financing Initiative for Renewable and Solar Technology (FIRST)**	13	\$299,233.74	0	\$0	13	\$299,233.74	61,060 kWh
Sonoma County Energy Independence Program	1,550	\$43,702,974.25	65	\$1,524,472.34	1,615	\$45,227,446.59	14,666,749.3 kWh 103,267 therms
CaliforniaFIRST***	0	\$0	151	\$3,435,462.04	151	\$3,435,462.04	N/A
Western Riverside Council of Governments (WRCOG) Home Energy Renovation Opportunity (HERO) Program	9,911	\$189,339,784.00	1,757	\$34,971,957.65	11,668	\$224,311,741.65	69,739,128 kWh-e 9,278,955 gallons of water 18,672 MTCO ₂
San Bernardino Associated Governments (SANBAG) HERO Program	4,286	\$80,398,364.90	1,763	\$32,056,560.00	6,049	\$112,454,924.90	18,373,724 kWh-e 2,176,282 gallons of water 5,015 MTCO ₂
California HERO Program	1,174	\$25,974,938.48	2,970	\$67,054,570.85	4,144	\$93,029,509.33	1,552,360 kWh-e 550,332 gallons of water 370 MTCO ₂
Total:	17,401	\$350,271,859.17	7,022	\$148,670,404.82	24,423	\$498,942,263.99	

*Information available for solar photovoltaic projects only.

**Berkeley FIRST is a pilot program that is no longer accepting new applications.

***CaliforniaFIRST launched its residential PACE program after the initial application period.

Financing Statistics

The following data is based on information about enrolled PACE financings issued from July 1, 2014 through December 31, 2014, as reported by participating PACE programs.

	Low	20th Percentile	Median	80th Percentile	High
Principal Amount	\$2,725.03	\$12,127.42	\$18,422.74	\$28,465.73	\$198,496.92
Annual Assessment Amount	\$262.58	\$1,624.33	\$2,421.44	\$3,758.28	\$25,255.35
Term	5 years	10 Years	15 years	20 Years	25 years

Claims

To date, CAEATFA has not received any claims on the loss reserve. During Program development, CAEATFA staff initially estimated that the loss reserve would last between eight to twelve years. Now that the Program has been active for almost one year, CAEATFA is currently working with financial advisors to help determine the Program's potential long-term liability and longevity based on Program activity to date.