

833



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

FROM: Executive Office

SUBMITTAL DATE:
May 23, 2013

SUBJECT: Resolution No. 2013-135, agreeing to participate in the Coachella Valley Association of Governments (CVAG) Clean Energy Program to finance Renewable Energy and Energy and Water Efficiency Improvements

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2013-135;
2. Approve and authorize the Chairman of the Board to execute the attached Implementation Agreement to authorize CVAG to implement, manage, and administer a Clean Energy Program that includes the Eastern County of Riverside; and

(Continued)

Alex Gann

Alex Gann, Principal Management Analyst

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13/14

COMPANION ITEM ON BOARD N/A AGENDA: No

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Christopher M. Hans*
Christopher M. Hans

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Benoit and Ashley
Nays: Stone
Absent: None
Date: June 18, 2013
xc: E.O.

Kecia Harper-Ihem
 Clerk of the Board
 By: *Kecia Harper-Ihem*
 Deputy
 3-4

2013 JUN 11 PM 3:07
 COUNTY OF RIVERSIDE
 RECEIVED

Prev. Agn. Ref.: 3.12 of 12/8/09 | **District:** 4,5 | **Agenda Number:**

RECOMMENDED MOTION (Continued)

3. Authorize the Chief Assistant County Executive Officer to execute documents necessary to facilitate the implementation of the program by CVAG.

In the fall of 2009, the Board of Supervisors directed staff to develop and coordinate the administration of an energy efficiency program to serve Eastern Riverside County. At that time the Western Riverside Council of Governments (WRCOG) had developed and was beginning to implement such a program in the western county area. At that time, the County and WRCOG entered into an Implementation Agreement outlining detailed provisions of the program to be offered in the unincorporated areas of western Riverside County.

Beginning in the fall of 2011, the CVAG Executive Committee directed CVAG staff to explore the creation of a regional program that would allow property owners in all member cities and the unincorporated areas of the eastern County of Riverside to take advantage of Property Assessed Clean Energy (PACE) financing. Staff from the Economic Development Agency worked cooperatively with CVAG staff on this effort.

Recent changes to state law (AB 811, SB 555) enable cities, counties, and a joint powers authority like CVAG to set up financing programs in which property owners may obtain financing for the acquisition, installation and improvement of energy efficiency, water conservation and renewable energy improvements to or on their real property, including homes and commercial buildings. (A list of eligible improvements is attached). Property owners who choose to obtain such financing can repay it through assessments or special taxes on their property tax bills over a set period of time.

PACE financing addresses two major financial hurdles to capital intensive energy efficiency and renewable energy projects: the high up-front cost and the potential that those costs will not be recovered upon sale of the property. With PACE financing, there is little or no up-front cost to the property owner, and if the property is sold before the investors are repaid, the new owner will, unless a prepayment is arranged, assume responsibility for the remaining assessments or special taxes as part of the property's annual tax bill. By overcoming these barriers, PACE financing presents an unparalleled opportunity to generate savings on utility bills for property owners, stimulate construction and building activity, reduce peak energy demand, and increase property values. At the recent CVAG Executive Committee meeting on April 29, 2013 local contractors, building industry and environmental advocacy representatives spoke in favor of PACE financing districts and a PACE program for the Coachella Valley.

To initiate the development of a PACE program, CVAG released a Request for Proposals (RFP) for a Regional PACE program with a deadline of December 20, 2012. Respondents were asked to describe how the program could be customized to include elements that the region, or an individual jurisdiction, might request. They were also asked to address potential flexibility for an individual member agency to customize the program to meet the needs of their residents and businesses, suit individual jurisdiction needs, and mesh with existing programs.

Two proposals were received in response to the RFP: one from Ygrene Energy Fund and one from Public Financial Management, Inc./PFM Group/California Home Energy Retrofit Opportunity (HERO) Fund (with WRCOG participating in the HERO program as conduit issuer of bonds and program administrator). The proposals were reviewed by a selection committee that included CVAG member

agency staff (from Palm Desert, Palm Springs, and Riverside County) and an elected official (Councilman Scott Hines from the City of Rancho Mirage).

Following interviews, due diligence and reference checks, the selection committee's recommendation to develop a regional PACE program with Ygrene Energy Fund was announced at the February 14, 2013 meeting of the Energy & Environmental Resources Committee. The selection committee made their recommendation based on several factors, including the flexibility of the PACE program offered by Ygrene, the ability to customize the program for individual jurisdictions, plans for a local energy center, the possibility of financing public buildings including schools and municipal buildings, and the ability for CVAG participating jurisdictions to control and customize the program for our region. The Energy & Environmental Resources Committee unanimously approved the recommendation.

The recommendation for the selection of Ygrene Energy Fund to develop, administer, and finance the proposed regional PACE program was then discussed at the Executive Committee meetings on February 25, 2013 and April 29, 2013. After receiving public input at both meetings and considerable discussion of the program costs, features, local control, program benefits to CVAG member cities, local property owners and businesses, among other issues, the Executive Committee approved the recommended action to proceed with the development, administration, and financing of a Regional SB 555 PACE program in collaboration with Ygrene Energy Fund. The CVAG Executive Committee staff report containing a detailed summary of the programs is available on the CVAG web site:

http://www.cvag.org/downloads/admin/exec/EXEC_04_29_2013SR7A.pdf

As the selected PACE provider, Ygrene Energy Fund will provide financing, administration, marketing, legal and all services needed to launch a PACE program. Ygrene Energy Fund is a nationwide third-party PACE administrator providing program design, implementation, funding, contractor certification, marketing, administrative software, and support at no cost to participating jurisdictions. Ygrene's compensation for performing these services will be derived from the interest rate spread between the cost of funds and the interest rate they provide to property owners who voluntarily obtain financing through the program, as well as fees paid by applicants. **The Ygrene program requires participating contractors to pay a per project fee of three percent of the amount financed.** The City of Sacramento and the County of Sacramento among other local jurisdictions have established PACE programs in conjunction with Ygrene Energy Fund. Ygrene offers a turnkey PACE program to cities and counties funded with private capital and is the only administrator to do so utilizing an SB 555 based model. Through contracts with cities, counties, or joint powers authorities, Ygrene serves as the administrator of the Community Facilities District, and works with PACE applicants and local contractors to facilitate improvements. There is no fiscal impact to the participating agencies' General Fund. Costs associated with CVAG's formation and implementation of this program are funded by reimbursements from Ygrene Energy Fund.

Among the steps required to initiate a regional PACE program, the Executive Committee approved circulation to member jurisdictions of the attached Implementation Agreement (See Attachment 1). According to the CVAG Joint Powers Agreement, CVAG shall have the power in its own name "To exercise jointly the common powers of its members to manage and administer any Implementation Agreement program" and "to exercise any powers authorized by an Implementation Agreement in furtherance of said agreement's purpose." CVAG's general counsel advised an approved Implementation Agreement is required to form the community facilities district and implement a regional PACE program.

To become effective, the Implementation Agreement requires approval and execution by CVAG member agencies. Following this approval, execution, and delivery, the formal process required for PACE district formation can be initiated by CVAG. (A summary of the formation process and estimated timeline is described in Attachment 3). For CVAG member agencies, approving, executing, and delivering the Implementation Agreement are the only actions necessary to participate in the CVAG regional PACE program. CVAG staff is available to assist member jurisdictions as needed. CVAG will then take all other necessary steps to establish and implement the PACE program. The Implementation Agreement also provides the opportunity for the CVAG Executive Committee to consider other PACE programs. Individual CVAG member jurisdictions would have the discretion to participate in other PACE programs.

PACE financing is completely voluntary and the decision to participate in such a program is up to the property owner. Once the formation process is complete, financing for energy retrofits can be made available to consumers and businesses in our community. The funding source is private financing made available through Ygrene. Participating property owners pay for the retrofits, typically over a 15 to 20 year term, via an annual special tax on their property tax bill. Under the SB 555 framework, only property owners who choose to seek financing through the community facilities district (CFD) for energy- and water-related improvements to their property *and* unanimously vote to annex their property into the CFD will be subject to this program. They "vote" into the district by participating in the program. No property will be annexed into the CFD or subject to any part of this program without the express willing unanimous consent of the property owner(s).

The Federal Housing Finance Agency (FHFA) has issued a directive to the Federal National Housing Association (Fannie Mae) and Federal Loan Mortgage Corporation (Freddie Mac) to discontinue purchasing mortgages on properties encumbered by liens made under property-assessed PACE programs. This directive was upheld in *County of Sonoma v. Federal Housing Finance Agency* (9th Cir. 2013) 710 F.3d 987. Accordingly, the ability to obtain Federal loans or refinancing under Fannie Mae or Freddie Mac may be impaired on properties containing PACE program assessments and the PACE program assessment may need to be paid in full in order to obtain such Federal financing.

Please note that the firm of Orrick, Herrington & Sutcliffe LLP (the "Orrick firm") is jointly representing CVAG and Ygrene in connection with the establishment of the SB 555 Clean Energy Program. If an AB 811 Clean Energy Program is established, however, the Orrick firm would not represent CVAG and has not reviewed, and is not passing on the adequacy of, any of the provisions in the Implementation Agreement or form resolution relating to the AB 811 Clean Energy Program. Additionally, the Orrick firm has asked the CVAG members be advised the firm is not representing any of the CVAG member jurisdictions with respect to the SB 555 Clean Energy Program.

In preparation for launch of the PACE program, Ygrene will provide an introductory workshop about PACE financing as well as contractor training workshops to help local contractors use PACE financing to help their customers with energy efficiency, renewable energy, and water conservation projects. PACE programs have become powerful tools for municipal governments to stimulate local jobs while providing a competitive financing program for property owners. Residential and commercial property owners can fund energy efficiency, solar/renewable energy and water conservation projects through PACE, with significant benefits for energy savings and greenhouse gas reduction. A regional program offers benefits in terms of economies of scale for funding and implementation.

FINANCIAL DATA:

The financing and administration of the proposed regional PACE program are funded by the program implementer (Ygrene Energy Fund) and supported by private funding and administrative fees. Ygrene will provide reimbursement of administrative and other costs.

Attachments:

1. Implementation Agreement Approved by CVAG Executive Committee (4/29/13)
2. List of Eligible Improvements Available to County of Riverside Property Owners (Residential and Commercial) Pursuant to Regional Clean Energy (PACE) Program
3. Summary of Process and Timeline for Formation of Regional Clean Energy (PACE) District

2
3 RESOLUTION NO. 2013-135

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
5 COUNTY OF RIVERSIDE APPROVING THE FORM OF AND AUTHORIZING
6 THE EXECUTION AND DELIVERY OF AN IMPLEMENTATION
7 AGREEMENT AUTHORIZING THE COACHELLA VALLEY ASSOCIATION
8 OF GOVERNMENTS TO IMPLEMENT, MANAGE AND ADMINISTER ONE
9 OR MORE CLEAN ENERGY PROGRAMS AND DIRECTING AND AUTHORIZING
10 CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

11
12 WHEREAS, The County of Riverside (the "County") is a party to the Coachella Valley
13 Association of Governments Joint Powers Agreement dated on or about November, 1973, as amended
14 and restated on June 26, 1989, and as further amended and restated on June 16, 1998 (collectively, the
15 "Joint Powers Agreement") pursuant to which coordinating and improving the planning and delivery of
16 governmental responsibilities common to all member entities within the local region;

17 WHEREAS, the Joint Powers Agreement provides that six or more members of CVAG, or
18 if approved by the CVAG Executive Committee, two or more members of CVAG, may execute an
19 implementation agreement for the purpose of authorizing CVAG to implement, manage and administer
20 area-wide and regional programs in the interest of the local public welfare;

21 WHEREAS, the County has determined that it is in the best interests of the County and is
22 beneficial to its residents to execute and deliver an implementation agreement (the "Implementation
23 Agreement") authorizing CVAG to implement, manage and administer one or more clean energy
24 programs (each, a "Clean Energy Program")

(1) by forming a community facilities district within the jurisdictional boundaries of
the parties to the Implementation Agreement and levying special taxes therein to finance the acquisition,
installation, and improvement of energy efficiency, water conservation, and renewable energy
improvements permanently affixed to or on a real property and in buildings, whether the real property or

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* DATE: 6/10/13
MARSHALL S. WILSON

1 buildings are privately or publicly owned, all in accordance with the Mello-Roos Community Facilities
2 Act of 1982 as amended, including as amended by Senate Bill No. 555 (Statutes 2011, chapter 493) ("SB
3 555") and other state laws, and/or

4 (2) by forming an assessment district within the jurisdictional boundaries of the parties
5 to the Implementation Agreement and levying special assessments therein to finance certain energy
6 efficiency improvements as provided by AB 811, enacted by the State Legislature on June 30, 2008, and
7 codified at Streets and Highways Code sections 5898.10 et. seq. ("AB 811");

8 WHEREAS, the Implementation Agreement authorizes the CVAG Executive Committee,
9 in its sole discretion, to determine whether to establish a Clean Energy Program under SB 555 or a Clean
10 Energy Program under AB 811 on behalf of the parties to the Implementation Agreement. Now,
11 therefore,

12 BE IT RESOLVED by the Board of Supervisors of the County of Riverside assembled in
13 regular session on June 18, 2013 that:

14 1. The Board of Supervisors (the "Board") finds and determines that the foregoing
15 recitals are true and correct.

16 2. The form of the Implementation Agreement as presented to the Board is hereby
17 approved. The Chair of the Board (or his or her designee) is hereby authorized and directed to execute
18 and deliver the Implementation Agreement on behalf of the County, which shall be in substantially the
19 form presented to this meeting, with such changes therein, deletions therefrom and additions thereto as the
20 Chief Executive Officer of the County (or his or her designee) and the County Counsel of the County
21 shall approve, which approval shall be conclusively evidenced by the execution and delivery of the
22 Implementation Agreement.

23 3. The Chief Executive Officer of the County (or his or her designee) is hereby
24 authorized and directed to do any and all things, and to execute and deliver any and all documents, which
25 he or she may deem necessary or desirable in order to implement the Implementation Agreement and
26 otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such
27 actions heretofore taken by such officers are hereby ratified, confirmed and approved.

28 ///

1 4. All consents, approvals, notices, orders, requests and other actions permitted or
2 required by the County in connection with the implementation, management or administration of any
3 Clean Energy Program under the Implementation Agreement after the execution and delivery of the
4 Implementation Agreement may be given or taken by the Chief Executive Officer of the County (or his or
5 her designee) and the County Counsel without further authorization by the Board, and the Chief Executive
6 Officer of the County (or his or her designee) and the County Counsel are hereby authorized and directed
7 to give any such consent, approval, notice, order or request and to take any such action which such
8 officers may deem necessary or desirable to further the purposes of this Resolution.

9 5. This Resolution shall take effect from and after its adoption.

10
11
12 ROLL CALL:

13 Ayes: Jeffries, Tavaglione, Benoit and Ashley
14 Nays: Stone
15 Absent: None

16 The foregoing is certified to be a true copy of a resolution duly
17 adopted by said Board of Supervisors on the date therein set forth.

18 KECIA HARPER-IHEM, Clerk

19 By _____

20 Deputy

IMPLEMENTATION AGREEMENT
AUTHORIZING THE COACHELLA VALLEY ASSOCIATION
OF GOVERNMENTS TO IMPLEMENT, MANAGE AND ADMINISTER THE
CLEAN ENERGY PROGRAM

THIS IMPLEMENTATION AGREEMENT is made and entered into on the ____ day of ____, 2013 (this "Agreement") pursuant to Government Code Section 6500 et seq., other pertinent provisions of law, and the Coachella Valley Association of Governments Joint Powers Agreement entered into on or about November, 1973, as amended and restated on June 26, 1989, and as further amended and restated on June 16, 1998 (collectively, the "Joint Powers Agreement"), by and between six or more, or if approved by the CVAG Executive Committee, two or more, of the following public agencies:

- (a) County of Riverside
- (b) City of Coachella
- (c) City of Indio
- (d) City of La Quinta
- (e) City of Indian Wells
- (f) City of Palm Desert
- (g) City of Rancho Mirage
- (h) City of Cathedral City
- (i) City of Palm Springs
- (j) City of Desert Hot Springs
- (k) City of Blythe

RECITALS

A. Each member and party to this Agreement is a governmental entity established by law with full powers of government in legislative, administrative, financial and other related fields. The Coachella Valley Association of Governments (“CVAG”) was formed so that its members might coordinate and improve the planning and delivery of governmental responsibilities common to all member entities within the local region.

B. The purpose of this Agreement is to authorize CVAG pursuant to the Joint Powers Agreement to implement, manage and administer a SB 555 Clean Energy Program and/or an AB 811 Clean Energy Program as described herein within the jurisdictions of the parties to this Agreement and to adopt ordinances and resolutions pertaining to same.

C. Each party to this Agreement is a member of CVAG and is also a local agency defined in the Mello-Roos Community Facilities Act of 1982, as amended, including as amended by Senate Bill No. 555 (Statutes 2011, chapter 493) (the “Act”). Each party has the power under the Act and other state laws to establish a clean energy program (“SB 555 Clean Energy Program”) by forming a community facilities district within such party’s jurisdictional boundaries and levying special taxes therein to finance the acquisition, installation, and improvement of energy efficiency, water conservation, and renewable energy improvements permanently affixed to or on real property and in buildings, whether the real property or buildings are privately or publicly owned (the “Authorized Improvements”), all in accordance with the Act.

D. Section 53316.2 of the Act permits the legislative bodies of two or more local agencies to enter into a joint community facilities agreement or joint exercise of powers agreement to exercise any power authorized by the Act if the legislative body of each entity adopts a resolution declaring that the joint agreement would be beneficial to the residents of that

entity. Each party to this Agreement has determined that it is in its best interests and would be beneficial to its residents to join together with other parties to this Agreement and authorize CVAG to implement the SB 555 Clean Energy Program on behalf of such parties through the formation of a community facilities district under the Act within the jurisdictions of the parties to this Agreement and the levy of special taxes therein to finance the Authorized Improvements and to otherwise authorize CVAG to implement, manage and administer the SB 555 Clean Energy Program for the parties. This Agreement, together with the Joint Powers Agreement, is intended to satisfy the provisions of Section 53316.2 of the Act. At the sole discretion of the CVAG Executive Committee, said SB 555 Clean Energy Program would be in addition to or an alternative to an AB 811 Clean Energy Program.

E. Assembly Bill 811, enacted by the State Legislature on June 30, 2008, and codified at Streets and Highways Code sections 5898.10 et seq. ("AB 811") permits cities and counties to assist property owners who desire to undertake energy-efficient improvements, such as high-efficiency air conditioners, or install renewable energy projects, such as solar panels. The CVAG members and parties to this Agreement have the common power to implement and administer contractual assessment programs pursuant to AB 811 (the "AB 811 Clean Energy Program") to finance such improvements and projects within their jurisdictions. Each party to this Agreement has determined that it is in its best interests and would be beneficial to its residents to join together with other parties to this Agreement and authorize CVAG to implement an AB 811 Clean Energy Program on behalf of such parties through a contractual assessment program as permitted by AB 811 to assist property owners in financing the cost of installing distributed generation renewable energy sources or making energy efficiency improvements that are permanently affixed to real property. At the sole discretion of the CVAG Executive

Committee, said AB 811 Clean Energy Program would be in addition to or an alternative to the SB 555 Clean Energy Program.

I.

PURPOSE AND POWERS.

1.1 Purpose of the Agreement.

Each party to this Agreement has the common power under the Act and other state laws to establish the SB 555 Clean Energy Program by forming a community facilities district within such party's jurisdictional boundaries and levying special taxes therein to finance the acquisition, installation, and improvement of the Authorized Improvements, all in accordance with the Act.

Each party to this Agreement also has the common power to establish a Clean Energy Program under AB 811 and other state laws, whereby contractual assessment financing can be made available to eligible property owners within that party's jurisdictional boundary.

The purpose of this Agreement is to jointly exercise either or both of the foregoing common powers to implement, manage and administer the SB 555 Clean Energy Program and/or the AB 811 Clean Energy Program on behalf of the parties to this Agreement , (1) through the formation of a community facilities district within the jurisdictions of the parties to this Agreement and the levy of special taxes therein, in the case of the SB 555 Clean Energy Program, or (2) through the formation of an assessment district within the jurisdictions of the parties to this Agreement and the levy of special assessments therein, in the case of the AB 811 Clean Energy Program. The CVAG Executive Committee, in its sole discretion, shall determine whether to establish the SB 555 Clean Energy Program and/or the AB 811 Clean Energy Program on behalf of the parties to this Agreement. Each party hereto consents to the formation

of a community facilities district and/or establishment of an AB 811 Clean Energy Program by CVAG within such party's jurisdictional boundaries and consents to the assumption of jurisdiction by CVAG for the proceedings, the levy, collection and enforcement of the special tax and the incurrence of debt.

1.2 Powers.

CVAG through its Executive Committee is hereby authorized to perform all necessary functions to fulfill the purposes of this Agreement. CVAG shall have the power in its own name to do any of the following:

- a. To exercise jointly the common powers of its members under the Act and/or AB 811 and other state laws to provide for the implementation, management and administration of the Clean Energy Program;
- b. To make and enter into contracts;
- c. To contract for the services of engineers, attorneys, planners, program administrators, financial consultants and separate and apart therefrom to employ such other persons, as it deems necessary;
- d. To incur debts, liabilities or obligations;
- e. To adopt rules, regulations, policies, bylaws and procedures governing the operation of CVAG in accordance with the enumerated purposes contained herein;
- f. To apply for an appropriate grant or grants under any federal, state, or local programs for assistance in developing the Clean Energy Program;
- g. To receive gifts, contributions and donations of property, funds, services and other forms of financial assistance from persons, firms, corporations and any governmental entity;
- h. To acquire, hold, and dispose of property;

- i. To acquire, construct, manage, maintain, and operate any buildings, works, or improvements;
- j. To sue and be sued in its own name; and
- k. To the extent not herein specifically provided for, to exercise any powers in furtherance of the purpose of this Agreement in the manner of and according to the methods provided under applicable laws.

II.

ADMISSION AND WITHDRAWAL OF PARTIES

2.1 Admission of New Parties

It is recognized that public entities, other than the original parties, may wish to participate in this Agreement. Additional Coachella Valley public entities may become parties to this Agreement upon such terms and conditions as provided by the General Assembly or Executive Committee.

2.2 Withdrawal

Each party hereto shall participate in this Agreement until the purposes set forth in this Agreement are accomplished and shall not withdraw until the termination of this Agreement pursuant to Section 3.1.

III.

TERMINATION AND DISPOSITION OF ASSETS

3.1 Termination.

The term of this Agreement shall extend to December 31, 2043 or the date on which a notice of cessation of special tax lien has been recorded with respect to all properties

participating in the Clean Energy Program and all debt incurred with respect to the Clean Energy Program is repaid in full and no longer outstanding, whichever is later.

Subject in all respects to the preceding sentence, termination shall be accomplished by written consent of all of the parties in the event that no communities facilities district has been formed.

3.2 Distribution of Property and Funds.

In the event of the termination of this Agreement, any property or funds of CVAG relating to the Clean Energy Program following the discharge of all obligations shall be disposed of as the Executive Committee shall determine. The Executive Committee shall consider, to the extent legally possible, the objective of returning to each party a proportionate return on the contributions made by such parties, less previous returns, if any.

IV.

MISCELLANEOUS

4.1 Effective Date.

This Agreement shall be effective and CVAG shall be authorized to proceed under this Agreement when this Agreement has been executed by any six or more, or if approved by the CVAG Executive Committee, two or more, of the public agencies enumerated herein.

4.2 Partial Invalidity.

If any one or more of the terms, provisions, sections, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, sections, promises, covenants and conditions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

4.3 Amendments.

This Agreement may be amended from time to time with the approval of not less than two-thirds (2/3) of the members to the Agreement; provided that no amendment may be permitted that would impact powers or purpose of this Agreement or have an adverse impact on the Clean Energy Program.

4.4 Arbitration.

Any controversy or claim between any two or more parties to this Agreement, or between any such party or parties and CVAG, with respect to disputes, demands, differences, controversies, or misunderstandings arising in relation to interpretation of this contract, or any breach thereof, shall be submitted to and determined by arbitration. The party desiring to initiate arbitration shall give notice of its intention to arbitrate to every other party to this Agreement and CVAG. Such notice shall designate as "respondents" such other parties as the initiating party intends to have bound by any award made therein. Any party not so designated but which desires to join in the arbitration may, within ten (10) days of service upon it of such notice, file a response indicating its intention to join in and to be bound by the results of the arbitration, and further designating any other parties it wishes to name as a respondent. Within twenty (20) days of the service of the initial demand for arbitration, the initiating party and the respondent shall each designate a person to act as an arbitrator. The two designated arbitrators shall mutually designate a third person to serve as arbitrator.

The three arbitrators shall proceed to arbitrate the matter in accordance with the provisions of Title 9 of Part 3 of the Code of Civil Procedure, Section 1280 et. seq. The parties to this Agreement agree that the decision of the arbitrators will be binding.

4.5 Counterparts.

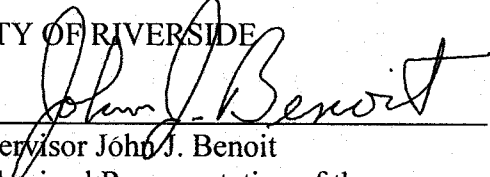
This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed to be an original, but all such counterparts shall constitute but one and the same instrument.

4.6 Execution.

The Board of Supervisors of the County of Riverside and/or the City Councils of the cities enumerated herein have each authorized execution of this Agreement as evidenced by the authorized signatures below respectively.

COUNTY OF RIVERSIDE

By



Supervisor John J. Benoit
Authorized Representative of the
Board of Supervisors

ATTEST:

KECIA HARPER-JHEM, Clerk

By



DEPUTY

CITY OF COACHELLA

By _____
Mayor Eduardo Garcia

CITY OF INDIO

By _____
Mayor Elaine Holmes

CITY OF LA QUINTA

By _____
Mayor Don Adolph

CITY OF INDIAN WELLS

By _____
Mayor Mary T. Roche

CITY OF PALM DESERT

By _____
Mayor Jan Harnik

CITY OF RANCHO MIRAGE

By _____
Mayor Richard W. Kite

CITY OF CATHEDRAL CITY

By _____
Mayor Kathleen DeRosa

CITY OF PALM SPRINGS

By _____
Mayor Stephen Pougnet

CITY OF DESERT HOT SPRINGS

By _____
Mayor Yvonne Parks

CITY OF BLYTHE

By _____
Mayor Oscar Galvan

Clerk's Copy

May 2, 2013

Desert Sun Newspaper:

The cost for solar panels and other energy efficient equipment for homes and businesses have come down significantly in the past few years, making it more affordable for Coachella Valley property owners to buy them. AB 811 and SB 555 were signed into law by California's Governor allowing the financing of solar panel and other energy and water efficient product costs and installation to be repaid through your property taxes. There are only a few administrators of this program available to Coachella Valley residents.

Even though I am elected on the Board of Supervisors by Southwest Riverside County residents, I am given one seat on the Coachella Valley Association of Governments (CVAG). While not being directly elected by you, I still vote on what I believe serves all constituent's best interest in our county.

Recently at a CVAG meeting, two competing proposals were evaluated to serve as your conduit for financing solar panels and other energy efficient improvements under this legislation that allows repayment to occur through your property taxes. One proposal came from the Western Riverside Council of Governments (WRCOG), a non-profit governmental agency. WRCOG offers a proven program that requires a city council only to pass a resolution to join, whereby property owners would then be able to quickly access available funding and expertise to retrofit their properties, and contractors in the CVAG region could quickly get to work. The other proposal came from Ygrene, a for profit company which proposed that CVAG develop a program from scratch, which will likely take significant time. With my dissenting vote, CVAG chose to endorse the Ygrene proposal. Herein lays the problem for me and ultimately you, the potential consumer. Ygrene, as opposed to WRCOG, charges the contractor that YOU will ultimately consider up to a \$3000 non-refundable fee to participate in their program! Do you believe the contractor will just absorb that fee? Of course not, it will be passed on to YOU-the consumer. In fact, for any contractor to participate in the program, they will have pay up to a \$3000 fee per project!

The bottom line is that only a limited number of local contractors will pay this onerous fee, which will only narrow the field of true competitors bidding on your project! Solar panels and other energy efficient upgrades are now affordable with innovative financing plans through your property taxes. By all means get at least 3 bids from the contractors of your choice and always ask your potential contractor if they have to pay a fee on your behalf to install your solar panel system to a for profit company. Good luck!

JEFF STONE
Riverside County Supervisor, Third District
CVAG, Member – Executive Committee

2013 708 13 6W 2:25

RECEIVED RIVERSIDE COUNTY
CLERK / BOARD OF SUPERVISORS
2018 JUN 17 PM 5:52



DESERT CONTRACTORS' ASSOCIATION

HIRE LOCAL / BUY LOCAL

Established 1984

June 17, 2013

Riverside County Board of Supervisors
4080 Lemon Street - 4th Floor
Riverside, California 92501

RE: Resolution 2013-135
Dear Supervisors,

On behalf of the Desert Contractors' Association, we offer our support for the adoption of Resolution 2013-135. The DCA represents 140 contractors and business that support the construction industry throughout the Coachella Valley.

With the adoption of this resolution by the Board of Supervisors, this program will be available to thousands of additional properties and contractors in the unincorporated areas of our county. The economic impact of which is substantial to our local economy.

We feel the CVAG program is an essential part of our economic development, energy conservation, and continued growth of our construction industry. We urge you to support the resolution as put forward.

Sincerely,

Ronald D. Phillips-Martinez
Executive Director, DCA

Michael Collins, President of the DCA
The Works Floor & Wall, Palm Springs

Andy De La Cruz, Vice President of the DCA
Triple J Contracting, Indio

Jason Whitley, Secretary of the DCA
Whitley's Construction Corporation, Palm Desert



SOUTHERN CALIFORNIA ENERGY
— SMART ENERGY —

Supervisor John Benoit
Chair, Board of Supervisors
County of Riverside
County Administration Center
4080 Lemon Street
Riverside, California 92501

RE: COUNTY PARTICIPATION IN THE CVAG SB 555 PACE PROGRAM - Agenda Item June 18th, 2013 Meeting Date

Dear Chairman Benoit and Honorable Members of the Board of Supervisors:

I am President of Southern California Energy Alternatives located in Palm Desert. My partners and I have over 30 years in the construction industry in the greater Coachella Valley region.

Our new company is focused on evaluating the "whole building" and making properties more energy efficient, more comfortable, and more valuable for the owner. We know from past experiences with the City of Palm Desert's PACE program that owners need readily available and easy to understand financing in order to make needed improvements.


As a member of the Coachella Valley construction industry, we plan to employ 10 local residents within 12 months. Many of our projects will be in the unincorporated areas of eastern Riverside County outside of the city limits of the other cities that have already voted to participate in the CVAG PACE program.

We ask that the County Board will also vote to approve the CVAG PACE program and make the Clean Energy CVAG PACE program available in the unincorporated areas. The program will create opportunities for our customers and in turn allow our company to expand. In our opinion, this program is a huge opportunity for our region.

We already know from experience that property owners in the Coachella Valley are interested in using PACE financing for energy efficiency and renewable energy upgrades. But we need a program with the resources to fund all projects, both large and small. We have familiarized ourselves with the Ygrene Clean Energy program and support Ygrene's program for several reasons: (1) Ygrene offers an easy to understand program and readily available funding that allows customers to start projects right away; (2) Ygrene provides local energy centers, local contractor training, marketing, and property owner outreach; (3) Ygrene's program makes the entire process simple and easy for contractors including comprehensive training, marketing support, and the tools and resources to efficiently manage projects and help us grow our business.

In conclusion, we urge the Board of Supervisors to approve the CVAG Clean Energy Coachella Valley program.

Sincerely,


Brandon Slater
President
Southern California Energy
77742 Las Montanas Rd. Suite B
Palm Desert, CA 92211



June 13, 2013

The Honorable John Benoit
Chairman Riverside Board of Supervisors
4080 Lemon St
Riverside, CA 92501

RE: SUPPORT FOR PACE FINANCING PROGRAM

Dear Supervisor Benoit:

I am writing you on behalf of the Palm Desert Area Chamber of Commerce in support of the PACE Program for Riverside County.

The Palm Desert Area Chamber of Commerce supports the creation of a PACE funding district using SB 555, the most recent and advanced PACE-enabling legislation in California that provides the strongest property owner participation and risk mitigation for cities and counties. It makes sense to complement the CaliforniaFIRST program, which is based on the AB 811 enabling legislation, with another financing option based on the new law to ensure a truly open market.

As citizens of Palm Desert and the County of Riverside, our members are the potential beneficiaries of this program. Property owners, contractors, and the larger business and environmental communities need a PACE program that is designed to work for us. We believe Ygrene is a good choice for PACE in Palm Desert and urge you to include it among the PACE program options offered by the County of Riverside.

Sincerely,

Barbara deBoom, IOM, ACE

President/CEO

Palm Desert Area Chamber of Commerce

72559 HIGHWAY 111
PALM DESERT, CA 92260
760.348.6111
PDCC.ORG

ACCREDITED



"In Business for Business"

11-999 Palm Drive
Desert Hot Springs, CA 92240
www.DesertHotSprings.com
PH: (760) 329-6403

May 20, 2013

City of Desert Hot Springs
City Council
65950 Pierson Blvd.
Desert Hot Springs, CA 92240

RE: Chamber Supports Ygrene and Coachella Valley PACE financing program

Dear Mayor Parks and Councilmembers:

On behalf of the Desert Hot Springs Chamber of Commerce, we commend the Coachella Valley Association of Governments' Executive Committee who voted to go with Ygrene Energy Fund to organize a regional property-assessed clean energy (PACE) financing option. We believe it is imperative that property owners have more access to options offered by programs like Ygrene and we urge the Desert Hot Springs City Council to opt into the valleywide energy-efficient district.

Desert Hot Springs Chamber of Commerce supports the Ygrene Energy Fund program. This program is vital to boosting economic activity, creating jobs in construction and manufacturing industries, and making Desert Hot Springs an even more efficient city for the future.

Sincerely,

Heather Coladonato
President/CEO

**CHAMBER OF COMMERCE
& VISITORS CENTER**



phone 760.347.0676
fax 760.347.6069
www.indiochamber.org
info@indiochamber.org
82-921 Indio Blvd. • Indio, CA 92201

ACCREDITED



May 21, 2013

Re: Support for Clean Energy CVAG PACE Financing Program

To Whom It May Concern:

On behalf of the Indio Chamber of Commerce and its 428 members, we commend the Coachella Valley Association of Governments for its decision to establish a regional property-assessed clean energy (PACE) financing program in partnership with Ygrene Energy Fund. This morning, our Board of Directors voted unanimously in support of the program. We look forward to working with CVAG and Ygrene to bring additional financing tools to Indio business and property owners, which will allow them to reduce operating expenses while enhancing their properties.

On behalf of the Indio Chamber of Commerce, we urge you to support the Clean Energy CVAG program by Ygrene Energy Fund. This program will boost economic activity, create jobs in construction and related manufacturing industries, and make the Coachella Valley region even more efficient while protecting our unique and valuable environment for future generations.

Respectfully,

Handwritten signature of Patrick Swarthout in black ink.

Patrick Swarthout
Chairman
Government Affairs & Public Policy Committee

Handwritten signature of Joyce Donaldson in black ink.

Joyce Donaldson
President/CEO
Indio Chamber of Commerce

Clerk's Copy

CLEAN ENERGY
CVAG

PROGRAM STIMULUS

MAKE A DIFFERENCE FOR THE COACHELLA & PALO VERDE VALLEYS WITH
CLEAN ENERGY CVAG



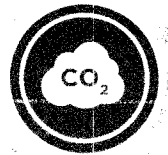
FUND \$220 MILLION IN CLEAN ENERGY IMPROVEMENTS



CREATE 3,300 NEW CLEAN ENERGY JOBS



GENERATE \$580 MILLION IN ECONOMIC ACTIVITY



REDUCE CARBON EMISSIONS BY 27,000 METRIC TONS

Over the next five years, Clean Energy CVAG seeks to invest \$220 million in the region's local economy through a Property Assessed Clean Energy (PACE) District. That represents retrofitting just 3.5% of existing commercial and residential buildings in the Coachella and Palo Verde Valley region with clean energy improvements.

Clean Energy CVAG has the potential to generate measurable and meaningful economic and environmental outcomes: 3,300 new jobs, \$580 million in economic activity and a tremendous reduction in carbon dioxide that contributes to global warming.

The fully-funded, turnkey solution offered exclusively by Ygrene is the only PACE program that can produce these outstanding results. We look forward to working with you to kick-start the region's economic growth and deliver immediate benefits to all stakeholders.

Submitted by Crystal Crawford

6/18/13 Item 3-4
(date)

Calculations based on ECONorthwest Economic Impact Analysis, April 2011



COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

EXECUTIVE COMMITTEE

April 29, 2013

Agenda Item 7A: Initiate Development, Administration and Financing of a
Regional Property Assessed Clean Energy Program

LETTERS AND SPEAKERS IN SUPPORT

Ygrene Energy Fund
11199 Sorrento Valley Road, Suite 209
San Diego, CA 92121
858.202.1662



Clean Energy CVAG
11199 Sorrento Valley Road, Suite 209
San Diego, CA 92121
Phone: (858) 202-1662

info@ygrene.us
www.ygrene.us

April 29, 2013

Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

Agenda Item 7A: REGIONAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM

Dear Councilmember De Coninck and Executive Committee Members,

On behalf of Ygrene Energy Fund, thank you for your careful consideration today of initiating the development, administration, and financing of a regional Property Assessed Clean Energy (PACE) program. On February 25, 2013, the Executive Committee took important steps toward establishing a regional PACE program, and today we are pleased that the Executive Committee is considering opportunities for the CVAG region to continue its national leadership in energy efficiency.

The letters of support provided herein are a sampling of our many conversations with contractors, property owners, local building suppliers and distributors, industry associations, and individual regional leaders, all of whom represent area residents who are eager and ready to take advantage of an SB 555 financing program. Across all these groups, one need is clear: the need for immediate financing that will provide these stakeholders with the opportunities to make their properties energy and water efficient. Ygrene Energy Fund stands ready to meet this need and is ready and able to deliver private financing on day one of the Clean Energy CVAG program. This forward thinking initiative will result in local jobs and efficiencies that will help the Coachella Valley and Palo Verde Valley thrive - economically and environmentally.

The letters herein confirm that businesses and residents in CVAG member cities and the unincorporated areas will take advantage of energy efficiency financing when it 1) is easy to access and understand, 2) broadens the list of eligible properties and projects, 3) offers quick approval for qualifying properties, and 4) provides local staff to guide property owners and contractors through the process. Ygrene's program meets all of these requirements and more.

Ygrene respectfully requests that the Executive Committee take the actions detailed in the staff report to initiate the development, administration, and financing of the Clean Energy CVAG program. By beginning the process of forming the SB 555 clean energy district today, you can ensure that the program offered by Ygrene Energy Fund is available before year-end.

Very truly yours,

A handwritten signature in black ink that reads "Crystal Crawford". The signature is written in a cursive, flowing style.

Crystal Crawford
Regional Director, Southern California



WWW.YGRENE.US

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Clean Energy CVAG
11199 Sorrento Valley Road, Suite 209
San Diego, CA 92121
Phone: (858) 202-1662

info@ygrene.us
www.ygrene.us

CVAG – EXECUTIVE COMMITTEE MEETING - APRIL 29, 2013

ITEM 7A: REGIONAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM

SPEAKERS IN SUPPORT* (Partial List)

YGRENE ENERGY FUND

1. Mike Lemyre, Program Development Director, Ygrene Energy Fund
2. Dan Schaefer, President, Ygrene Energy Fund
3. Crystal Crawford, Regional Director, Southern California, Ygrene Energy Fund

REGIONAL ASSOCIATIONS

4. Ronald D. Phillips-Martinez, Executive Director, Desert Contractors' Association
5. Gretchen Gutierrez, CEO, Desert Valleys Builders Association
6. Wes Ahlgren, COO, Coachella Valley Economic Partnership
7. Mike Collins, President, Desert Contractors' Association
8. Pat Whitcomb, Director, Desert Contractors' Association

CONSTRUCTION INDUSTRY

9. Patrick Adamson, Southern California Territory Manager, MI Windows & Doors, La Quinta Office
10. Monica Sanderson, President & CEO, American 180 Synergies, Palm Desert
11. Paul J. McCreesh, Owner, Green Guys Construction, Palm Springs
12. Nate Otto, President, Hot Purple Solar, Palm Springs
13. David Herrlinger, Vice-President, Hot Purple Solar, Palm Springs
14. Alan Solomon, Sales Division, California Cool Roof, Palm Desert

LOCAL RESIDENTS

15. Benjamin Druyon, Indio

***Some speakers may take the podium for questions only.**



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Clean Energy CVAG
11199 Sorrento Valley Road, Suite 209
San Diego, CA 92121
Phone: (858) 202-1662

info@ygrene.us
www.ygrene.us

CVAG – EXECUTIVE COMMITTEE MEETING - APRIL 29, 2013

ITEM 7A: REGIONAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM

INDEX TO LETTERS OF SUPPORT*

REGIONAL ASSOCIATIONS AND OTHER ORGANIZATIONS

1. Desert Contractors' Association by Ronald D. Phillips-Martinez, Executive Director
2. Desert Valleys Builders Association by Gretchen Gutierrez, CEO
3. Coachella Valley Economic Partnership by Wes Ahlgren, COO
4. College of the Desert by Joel L. Kinnamon, Superintendent/President

CONSTRUCTION INDUSTRY, BUILDING TRADES & EFFICIENCY CONSULTANTS

5. Hyde's Air Conditioning, Indio, by Michael Hyde, General Manager
6. General Air Conditioning & Heating, Thousand Palms, by Frank Harrison, Owner & President
7. MI Windows & Doors by Patrick Adamson, Southern California Territory Manager, La Quinta Office
8. American 180 Synergies, Palm Desert, by Monica Sanderson, President & CEO
9. RMC Energywise Homes, La Quinta, by Richard E. Powell, Owner
10. Green Guys Construction, Palm Springs, by Paul J. McCreesh & Christopher Lucas, Owners
11. Esser Air Conditioning & Heating, Cathedral City, by Tim Esser, Owner
12. W.L. Vickers Construction, Inc., Yucaipa, by Walt Vickers, Owner

INTERESTED INDIVIDUALS

13. Benjamin Druyon, Indio
14. Mark Wasson, Palm Desert

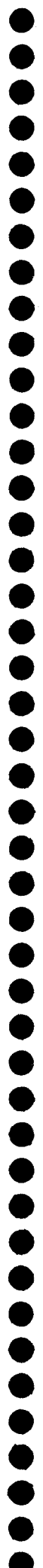
APPENDIX – PACE Program Cost and Features Comparison: Ygrene & HERO
(Comparison Compiled by CVAG Staff)

*Letters Received as of April 26, 2013



WWW.YGRENE.US

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DESERT CONTRACTORS' ASSOCIATION

HIRE LOCAL / BUY LOCAL

Established 1986

April 10, 2013

Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

RE: MOVING FORWARD WITH SB 555 PACE PROGRAM FOR THE COACHELLA VALLEY

Dear Councilmember De Coninck and Executive Committee Members:

This letter is sent on behalf of our association. Established in 1984, the Desert Contractors' Association (DCA) is an association of contractors, builders, subcontractors, suppliers and consultants who work in the Coachella Valley construction industry. Our association represents 160 business members who support "Hire Local/Buy Local" and the value of using licensed contractors in our industry.

We are writing to urge the Executive Committee to move forward with the immediate creation of an SB 555 PACE program and with the selection of Ygrene Energy Fund as the program administrator for the Coachella Valley Association of Governments PACE program. Moving forward with creating a region-wide PACE program and a robust, effective PACE program is essential to jumpstarting economic activity, creating jobs in the construction industry, and making the Coachella Valley a more efficient region for the future.

We have evaluated the differences between AB 811 and SB 555 PACE programs as well as the program benefits provided by the Ygrene model, and we concur with the selection committee's recommendation of Ygrene. We are very encouraged by Ygrene's commitment to opening LOCAL energy centers staffed by LOCAL personnel who will interact with Coachella Valley property owners and contractors. One of the DCA's primary objectives is supporting the local construction industry. We would much rather see a program staffed and run from the Coachella Valley rather than having a program run from the Western Riverside area.

PO BOX 453, Rancho Mirage, CA 92270-0453 • (760) 200-9202 • www.yourdca.org
Membership Center 71-687 Highway 111 Suite 202, Rancho Mirage, CA 92270

We are excited about how we and our members would use the Clean Energy Coachella Valley program offered by Ygrene. It is the only program that offers elements essential to making the program a success:

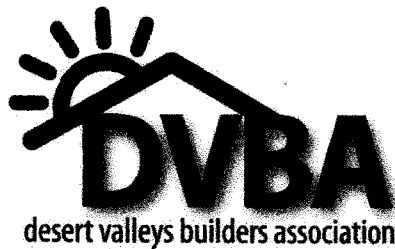
- **Committed and Available Funding:** Ygrene offers a fully funded program, meaning a property owner will never have to waste time and energy trying to secure financing. Properties are pre-approved, projects receive final approval within 24 hours and funding is available immediately.
- **No Cost to Government / Lowest Cost to Property Owners:** Ygrene's program will not cost CVAG or the member cities a dime of public money. Just as important is that this program, as compared to others, has the lowest total cost to property owners of any PACE program in the state.
- **Successful Program Model:** Ygrene's program builds upon both the Palm Desert Set to Save Program and the Sonoma County Energy Independence Program, the most successful PACE programs in existence. Building upon these proven models will help ensure that the Coachella Valley program can fund projects and achieve success.
- **Local Commitment to the Coachella Valley:** Local energy centers, local contractor training, grassroots marketing, and property owner outreach are key to creating the unique program that the Coachella Valley deserves.

We strongly urge the committee to support the adoption of this SB 555 program now so that the Ygrene Energy Fund program and SB 555 PACE financing can be available by Fall 2013.

Thank you,



Ronald D. Phillips-Martinez
Executive Director



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Noble & Company, LLC
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Mueller/Olivier/Whittaker LLP
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Petra Geotechnical
Marvin Roos
MSA Consulting Inc
Greg Smith
Smith-Kandal Insurance/Real Estate
Phil Smith
Sunrise Company
Patrick Swarthout
Imperial Irrigation District
Jeff Wattenbarger
Wattenbarger Construction

April 18, 2013

Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

RE: MOVING FORWARD WITH SB 555 PACE PROGRAM FOR THE COACHELLA VALLEY

Dear Councilmember De Coninck and Executive Committee Members:

This letter is sent on behalf of the Desert Valleys Builders Association (DVBA). Established in 2010, the 150+ members of the DVBA represent building industry professionals involved in all aspects of the construction industry. Our builders, developers, architects, engineers, bankers, and local government members are committed to ensuring that building of all types remains vibrant and strong in the Coachella Valley region. We are dedicated to providing excellence in community development while protecting the natural beauty of the Coachella and Imperial Valleys.

DVBA actively monitors local, state, and federal legislation and policy matters affecting the building industry, and we advocate for policies furthering our mission. We are writing today to urge the Executive Committee to move forward with the creation of a CVAG SB 555 PACE program administered and funded by Ygrene Energy Fund. Creating a region-wide PACE program and a robust, effective PACE program will boost economic activity, create jobs in the construction industry, and make the Coachella Valley a more efficient and sustainable region.

75100 Mediterranean • Palm Desert • CA 92211
(760) 776-7001 office • (760) 776-7002 fax
www.thedvba.org



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Development Design & Engineering

Margaret Drury

Margaret Drury Construction

Tommy Fowlkes

Coachella Valley Water District

Todd Hooks

Agua Caliente Band of Cahuilla Indians

Dave Lippert

Lippert Construction, Inc

Heather Loutsenhizer

Penta Building Group

Bruce Maize

Fidelity Title Insurance

Tom Noble

Noble & Company, LLC

Dan Olivier

Mueller/Olivier/Whittaker LLP

Alan Pace

Petra Geotechnical

Marvin Roos

MSA Consulting Inc

Greg Smith

Smith-Kandal Insurance/Real Estate

Phil Smith

Sunrise Company

Patrick Swarthout

Imperial Irrigation District

Jeff Wattenbarger

Wattenbarger Construction

DVBA has evaluated the benefits of the improved SB 555 PACE legislation and the program offered by Ygrene. We concur with the selection committee's recommendation of Ygrene as the administrator for the CVAG PACE program. As the only SB 555 program, Ygrene can offer PACE financing and refinancing to all property types in the Coachella Valley. In addition, we believe that local Ygrene Energy Centers staffed by local residents who know the Coachella Valley, its property owners, cities, and contractors, is a superior model and offers clear advantages and benefits to the region including:

- **Committed and Available Funding:** Ygrene offers a fully funded program, meaning a property owner will never have to waste time and energy trying to secure financing. Properties are pre-approved, projects receive final approval within 24 hours and funding is available immediately.
- **No Cost to Government / Lowest Cost to Property Owners:** Ygrene's program will not cost CVAG or the member cities a dime of public money. Just as important is that this program, as compared to others, has the lowest total cost to property owners of any PACE program in the state.
- **Successful Program Model:** Ygrene's program builds upon both the Palm Desert Set to Save Program and the Sonoma County Energy Independence Program, the most successful PACE programs in existence. Building upon these proven models will help ensure that the Coachella Valley program can fund projects and achieve success.
- **Local Commitment to the Coachella Valley:** Local energy centers, local contractor training, grassroots marketing, and property owner outreach are key to creating the unique program that the Coachella Valley deserves.

DVBA strongly urges the committee to support the adoption of this SB 555 program now so that the Ygrene Energy Fund program and SB 555 PACE financing can be available by Fall 2013.

Thank you,

Gretchen Gutierrez
CEO

75100 Mediterranean • Palm Desert • CA 92211
(760) 776-7001 office • (760) 776-7002 fax
www.thedvba.org



April 18, 2013

Chairman Joseph DeConinck
Coachella Valley Association of Governments
73-710 Fred Waring Drive, #200
Palm Desert, CA 92260

RE: MOVING FORWARD WITH SB 555 PACE PROGRAM FOR THE COACHELLA VALLEY

Dear Chairman DeConinck:

This letter is sent on behalf of the Coachella Valley Economic Partnership [CVEP]. Our mission is to build a diversified, year-round economy by promoting regional job growth with local companies, business attraction and by developing a well-trained and educated workforce. We partner closely with a cross-section of the private, public and educational sectors. CVEP supports this committee moving forward with Clean Energy Coachella Valley by Ygrene as Coachella Valley Association of Government's [CVAG] SB 555 program option.

We urge you to complete the selection process and move forward with creating a region-wide PACE program. Unemployment remains high in the Coachella Valley, and the stakes for contractors and local businesses are high. **Over the next five years, a successful PACE program could create 3,000 new jobs, more than \$200 million in project financing, and another \$500 million in related economic benefits for the Coachella Valley.** Having a robust, effective PACE program would jumpstart economic activity, create jobs in the construction industry, and help make the Coachella Valley a more efficient region for the future. This is a huge opportunity—and the key is selecting a PACE program model that works and a provider dedicated to making the program work locally.

We are excited about how the Clean Energy Coachella Valley program offered by Ygrene would benefit our region. It is the only program that offers elements that are essential to making the program a success:

- **Committed and Available Funding:** Ygrene offers a fully funded program, meaning a property owner will never have to waste time and energy trying to secure financing. Properties are pre-approved, projects receive final approval within 24 hours and funding is available immediately.
- **Successful Program Model:** Ygrene's program improves upon both the Palm Desert Set to Save Program and the Sonoma County Energy Independence Program, the most successful PACE programs in existence. This proven model will help ensure that the Coachella Valley program can fund projects and achieve success.
- **Local Commitment to the Coachella Valley:** Local energy centers, local contractor training, grassroots marketing, and property owner outreach are key to creating the unique program that the Coachella Valley deserves.

CLIMATE FOR SUCCESS



We strongly urge CVAG to support the adoption of this SB 555 program now so that the Ygrene program and SB 555 PACE financing can be available in 2013.

Sincerely,

Wesley Ahlgren
Chief Operating Officer

Mr. Michael O'Neill
Chair, Board of Trustees

Ms. Becky Broughton
Vice Chair

Dr. Bonnie Stefan
Clerk

**Mrs. Mary Jane
Sanchez-Fulton**
Member

Vacant
Area 4

Mr. Andrew Campbell
Student Trustee

Dr. Joel Kinnamon
President



April 24, 2013

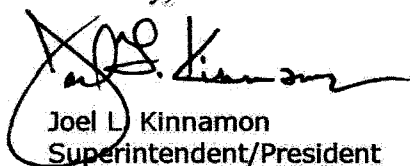
Mr. Tom Kirk
Executive Director
Coachella Valley Association of Governments
73-710 Fred Waring Dr., Suite 200
Palm Desert, CA 92260

Dear Mr. Kirk,

I am writing to express support for a Coachella Valley-wide PACE program and to encourage CVAG members to consider including both residential and commercial services. Having this State-approved financing option available for Coachella Valley homeowners and businesses, and to the contractors that do the work, will encourage increased use of energy efficiency and renewable energy technologies in the valley. This in turn, will create employment opportunities for the students College of the Desert (COD) is currently training.

As you may be aware, COD has been providing skills training in energy efficiency auditing and building retrofitting. It has also been preparing students for occupations in renewable energy. COD is playing an important role in developing a workforce for tomorrow's clean energy jobs. Financing strategies such as PACE financing is also a part of what the Valley needs to grow the local clean energy economy.

Sincerely,


Joel L. Kinnamon
Superintendent/President

JLK/jj

cc: Douglas Redman, Assistant Professor, Automotive Technology/Advanced Transportation

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April 18, 2013
Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

RE: MOVING FORWARD WITH SB 555 PACE PROGRAM FOR THE COACHELLA VALLEY

Dear Councilmember De Coninck and Executive Committee Members:

I'm writing to you as one of the owners of Hyde's Air Conditioning. My family has been in business for over thirty years providing HVAC and related services to residential and commercial customers in Palm Desert, Bermuda Dunes, Palm Springs, Cathedral City, Coachella, Desert Hot Springs, Indio, Rancho Mirage, Thermal, La Quinta and surrounding towns. We are a third-generation, family owned business headquartered in the Coachella Valley.

We are proud to be a member of the local construction industry employing over 24 Coachella Valley residents. **A successful PACE program like Clean Energy CVAG program offered by Ygrene Energy Fund would create opportunities for Hydes to grow and add employees and would allow us to offer financing for energy efficiency upgrades to more residents in our region.** This is a huge opportunity for the region — and the key is selecting a PACE program model that works and a provider dedicated to making the program work locally.

We are already familiar with PACE financing. Our company has participated in the City of Palm Desert "Set to Save" PACE program from its inception, and many of our customers took advantage of the financing. However, the Palm Desert program has been challenging because payments are very slow. It is not uncommon for us to wait for up to eight (8) weeks after project completion for payment, and in one case the property owner kept the funds without paying Hyde's for the project.

We are familiar with the Ygrene program and are looking forward to taking advantage of the program's contractor training, software tools, and the commitment to payment in no more than five (5) business days following project completion. **We have no objection to the three percent (3%) fee that Ygrene charges participating contractors.** As a small business, Hydes will gladly pay a 3% fee in exchange for prompt payment. The 3% fee is similar to what we already pay when customers use their credit cards to pay Hydes for services rendered and is already built into our pricing schedule.

In summary, we know from experience that property owners will use PACE financing for energy efficiency and other upgrades. But PACE will mean nothing for our business if the program doesn't successfully fund projects. We support Ygrene's Clean Energy program because it is the only program with these essential elements:

- **Committed and available funding.** Customers won't follow through with a project unless financing is easily accessed, available up front, and projects can get started immediately. Ygrene's easy to understand program pre-approves properties, approves projects within 24 hours, and has immediately available funding.

Certified Comfort Systems, Inc.
Air Conditioning • Heating • Appliances
42-949 Madro Street, Indio, CA 92201 | Lic. #906115
Phone: 760.360.2202 | Toll Free: 877.339.1933 | Fax: 760.360.3350 | Email: info@hydesac.com
Please Visit Us Online at www.HydesAC.com



- **Local Commitment to the Coachella Valley:** Ygrene's local energy centers, local contractor training, grassroots marketing, and property owner outreach are key to creating the unique program that the Coachella Valley deserves.
- **Local Contractor Support and Local Jobs:** Ygrene's program makes the entire process simple and easy for contractors, and supports us from start to finish. The program provides comprehensive training, will support us in marketing PACE to property owners throughout the Coachella Valley, and gives us the tools and resources to efficiently manage projects and help us grow our business.
- **Local Marketing and Outreach.** Ygrene is the only program provider that will offer robust marketing tailored to the individual cities and designed to ensure maximum participation in the program. Read: more projects, more jobs.

As CVAG considers options for creating a regional PACE (Property Assessed Clean Energy) financing district, we urge you to move forward with the **Clean Energy Coachella Valley program by Ygrene**. It's the only program that can make PACE a large-scale reality for our region, and it is essential to jumpstarting activity and creating jobs in the construction industry. In short, it works and it will put local businesses and their employees back to work.

Sincerely,

Michael Hyde
General Manager



April 15, 2013

Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

RE: MOVING FORWARD WITH SB 555 PACE PROGRAM FOR THE COACHELLA VALLEY

Dear Councilmember De Coninck and Executive Committee Members:

I'm writing to you as the Owner and President of General Air Conditioning & Heating. We have been a licensed HVAC contractor doing business in the Coachella Valley since 1984. Like many in the building and HVAC industry, our company is now more focused on evaluating the "whole building" and making properties more energy efficient, more comfortable, and more valuable for the owner. But oftentimes, owners need readily available and affordable financing in order to make needed improvements. It is critical for contractors and consumers to have access to the PACE financing program developed by Ygrene.

As a member of the Coachella Valley construction industry, General Air Conditioning & Heating takes our business seriously. We currently employ over 40 local residents and have an onsite training program to ensure the highest customer service and satisfaction. **A successful PACE program like Clean Energy CVAG would create opportunities for our company to grow and add employees and would allow us to offer energy efficiency upgrades to more residents in our region.** This is a huge opportunity—and the key is selecting a PACE program model that works and a provider dedicated to making the program work locally.

Our company knows from experience that property owners in the Coachella Valley are interested in using this financing tool for energy efficiency and renewable energy upgrades. But PACE will mean nothing for my business if the program doesn't successfully fund projects. That's why we support Ygrene's Clean Energy program. Ygrene offers the only program with these essential elements:

- **Committed and available funding.** Customers won't follow through with a project unless financing is easily accessed, available up front, and projects can get started immediately. Ygrene's easy to understand program pre-approves properties, approves projects within 24 hours, and has immediately available funding.
- **Local Commitment to the Coachella Valley:** Ygrene's local energy centers, local contractor training, grassroots marketing, and property owner outreach are key to creating the unique program that the Coachella Valley deserves.
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- **Local Marketing and Outreach.** Ygrene is the only program provider that will offer robust marketing tailored to the individual cities and designed to ensure maximum participation in the program. Read: more projects, more jobs.

As CVAG considers options for creating a regional PACE (Property Assessed Clean Energy) financing district, I urge you to move forward with the **Clean Energy Coachella Valley program by Ygrene**. It's the only program that can make PACE a large-scale reality for our region, and it is essential to jumpstarting activity and creating jobs in the construction industry. It's also the only program I want to work with and will recommend to my customers. In short, it works and it will put local businesses and their employees back to work.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Harrison", written in a cursive style.

Frank Harrison
Owner & President

MI Windows and Doors

April 19, 2013

Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

RE: MOVING FORWARD WITH SB 555 PACE PROGRAM FOR THE COACHELLA VALLEY

Dear Councilmember De Coninck and Executive Committee Members:

As a Territory Manager in Southern California of MI Windows and Doors, I enthusiastically support moving forward with the Clean Energy Coachella Valley PACE (SB 555) program by Ygrene.

As CVAG considers next steps for PACE in the region, I urge you to move forward with the Ygrene program. Your support for this program is essential to jumpstarting economic activity, creating jobs in the construction and supporting industries, and preparing cities throughout the Coachella Valley for the future.

As a Manufacturer of energy efficient windows and doors and a supplier of hundreds of Contractors in the region, Midwest Glass and Aluminum (In Palm Desert) is among the many potential beneficiaries of this program. But we also see this as an opportunity to contribute to the Coachella Valley's economic recovery and environmental leadership.

Our company is committed to manufacturing energy efficient windows and doors that meet or exceeds the most stringent Department of Energy standards. As Territory Manager, (and home owner in Coachella Valley) I know firsthand how property owners, contractors, manufacturers and the larger business and environmental communities need a PACE financing program that works, and works for us. Importantly, the Ygrene program, as compared to others, has the lowest total cost to property owners of any PACE program in the state. I believe Clean Energy Coachella Valley by Ygrene is the clear choice for PACE programs, and urge you to make it available to all property owners, commercial and residential, in the region.

Our company is also committed to Habitat for Humanity. Please keep in mind, should you move forward on the Ygrene program, MI Windows and Doors will donate our top of the line most energy efficient windows engineered specifically for the harsh desert climate.

Ygrene's program will provide property owners with the best program option and provide manufacturing partners the most opportunities to participate and contribute to the program. I strongly urge the committee to support the adoption of this SB 555 program now so that the Ygrene Energy Fund program and SB 555 PACE financing can be available by fall 2013.

Thank you
Patrick Adamson
Southern California Territory Manager
padamson@miwd.com
Cell # 760-799-8922 www.mienergycore.com

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AMERICAN 180 SYNERGIES

74478 HIGHWAY 111, SUITE 302

PALM DESERT, CA 92260 (760) 898-5997

Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

RE: SB 555 PACE PROGRAM FOR THE COACHELLA VALLEY

Dear Councilmember De Coninck and Executive Committee Members:

In your consideration of creating a regional PACE (Property Assessed Clean Energy) financing district, I urge you to move forward with the **Clean Energy Coachella Valley program by Ygrene.**


Unemployment remains high in the Coachella Valley, and the stakes for contractors couldn't be higher. **Over the next five years, a successful PACE program could create 3,000 new jobs, more than \$200 million in project financing, and another \$500 million in related economic benefits for the Coachella Valley.** This is a huge opportunity—and the key is selecting a PACE program model that works and a provider dedicated to making the program work locally.

As a local Coachella Valley contractor, we have experienced other PACE programs on a very limited basis. It is exciting it will now be available throughout the Coachella Valley including the almost always left out unincorporated areas. The PACE program is crucial and will mean nothing for my business if the program doesn't successfully fund projects. This is why I support Ygrene's Clean Energy program. Ygrene offers the only program with these essential elements:

- **Committed and available funding.** Customers won't follow through with a project unless financing is easily accessed, available up front, and projects can get started immediately. Ygrene's easy to understand program pre-approves properties, approves projects within 24 hours, and has immediately available funding.
- **Local Commitment to the Coachella Valley:** Ygrene's local energy centers, local contractor training, grassroots marketing, and property owner outreach are key to creating the unique program that the Coachella Valley deserves.
- **Local Contractor Support and Local Jobs:** Ygrene's program makes the entire process simple and easy for contractors, and supports us from start to finish. The program provides comprehensive training, will support us in marketing PACE to property owners throughout the Coachella Valley, and gives us the tools and resources to efficiently manage projects and grow our business.
- **Local Marketing and Outreach.** Ygrene is the only program provider that will offer robust marketing tailored to the individual cities and designed to ensure maximum participation in the program. Read: more projects, more jobs.

Please make the right decision – include Clean Energy Coachella Valley by Ygrene as a PACE financing option to property owners in our region. In short, it works and it puts local contractors back to work.

Regards,
Monica Sanderson, President & CEO



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Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

RE: MOVING FORWARD WITH SB 555 PACE PROGRAM FOR THE COACHELLA VALLEY

Dear Councilmember De Coninck and Executive Committee Members:

As CVAG considers options for creating a regional PACE (Property Assessed Clean Energy) financing district, I urge you to move forward with the **Clean Energy Coachella Valley program by Ygrene.**

Unemployment remains high in the Coachella Valley, and the stakes for contractors couldn't be higher. **Over the next five years, a successful PACE program could create 3,000 new jobs, more than \$200 million in project financing, and another \$500 million in related economic benefits for the Coachella Valley.** This is a huge opportunity—and the key is selecting a PACE program model that works and a provider dedicated to making the program work locally.

As a local Coachella Valley contractor, I could not be more enthusiastic about the potential of PACE. We know from experience that property owners in our region need financing options for energy efficiency and renewable energy upgrades. As I urge you to move forward with the **Clean Energy Coachella Valley program by Ygrene.** I also urge you to ensure that the basic energy efficiency measures of **Building envelope sealing, Quality insulation installment, Combustion safety testing and correct equipment and duct sizing including ventilation.** These are the basic tenets of residential energy efficiency that are oft overlooked and the most important. These basic tenets should be incorporated into the P.A.C.E funding process in the Coachella valley under CVAG leadership with the work being done by qualified contractors that have had Building Science training.

In 2005 the California Solar Initiative was developed by the California Public Utilities Commission. The California Energy Commission developed the New Solar Homes Partnership in 2006.

The primary goals of the New Solar Homes Partnership and California Solar Initiative are to help create a self-sustaining market for energy efficient, new and existing solar homes. Additional goals include home builders incorporating high levels of energy efficiency with high performing solar systems as standard features, and home buyers demanding energy efficient solar homes. The Energy Commission intends to provide financial incentives and non-financial assistance in the form of builder and market support as the means to help create this self-sustaining market.

The C.P.U.C and the C.E.C both understand that higher performing homes always incorporate the basic tenets first to reduce the actual electrical load on the home before assessing for solar.

In the Coachella Valley, for a year round resident, the HVAC system and Pool pumps can be close to equal in power usage measured over the entire year. For the no pool homes with comfort systems installed the HVAC system is a large percentage of the electrical load.

The Pool pump is a simple problem and the fix is to install a variable speed pump for less than \$1500 that will show immediate savings of up to 75%.

The HVAC system is a bit more complex with the need to address the sizing of the equipment and duct system on every change-out or new install. The correct sizing of the HVAC system includes the BTU (heat) transfer through the building shell via air leakage and the BTU transfer (conduction) between the walls, attic and floors into the conditioned space.

This is a load on which our comfort system has to "do work" for and can be completely controlled by a properly trained contractor. Reducing the BTU load also requires downsizing the equipment to meet the reduced load. Energy savings coming from the comfort system are realized by using correctly sized systems that are generally smaller and run for longer periods.

These 2 systems along with increasing plug loads from appliances and convenience products create most of the demand for power in our desert communities.

I believe this program should incorporate both Contractor and Homeowner training to help this program reap its highest benefits. Homeowners should be informed on their best options to ensure that they will gain the most in efficiency and comfort from their home. The Contractors need to be trained to inform their client on the best course to achieve their goals and to be proficient in the skills necessary to provide them.

But PACE will mean nothing for my business if the program doesn't successfully fund projects. That's why I support Ygrene's Clean Energy program. Ygrene offers the only program with these essential elements:

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Sincerely,

Richard E. Powell
RMC Energywise Homes
890942 C-6, B

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April 26, 2013

Certified Green Builder

CALIC #809231

Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

Re: Moving Forward with SB 555 PACE Program for the Coachella Valley

Dear Councilmember De Coninck and Executive Committee Members:

As CVAG considers options for creating a regional PACE (Property Assessed Clean Energy) financing district, we urge you to move forward with the **Clean Energy Coachella Valley program by Ygrene.**

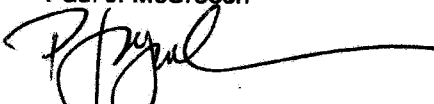
Unemployment remains high in the Coachella Valley, and the stakes for contractors couldn't be higher. **Over the next five years, a successful PACE program could create 3,000 new jobs, more than \$200 million in project financing, and another \$500 million in related economic benefits for the Coachella Valley.** This is a huge opportunity—and the key is selecting a PACE program model that works and a provider dedicated to making the program work locally.

As a local Coachella Valley contractor, we could not be more enthusiastic about the potential of PACE. We know from experience that property owners in our region need financing options for energy efficiency and renewable energy upgrades. But PACE will mean nothing for my business if the program doesn't successfully fund projects. That's why we support Ygrene's Clean Energy program. Ygrene offers the only program with these essential elements:

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Sincerely,
Paul J. McCreesh



Christopher Lucas



T: 760.641.7003 F: 760.992.5328

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Esser Air Conditioning and Heating

36665 Bankside Drive, Suite C * Cathedral City, CA 92234
Phone 760-324-0550 * Alt Phone 760-568-0075 * www.esserac.com

April 26, 2013

Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

RE: MOVING FORWARD WITH SB 555 PACE PROGRAM FOR THE COACHELLA VALLEY

Dear Councilmember De Coninck and Executive Committee Members:

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Councilmember Joseph De Coninck
Chair, Executive Committee
April 26, 2013
Page 2

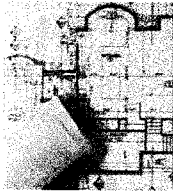
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Sincerely,

ESSER AIR CONDITIONING & HEATING


Tim Esser



W. L. Vickers Construction, Inc

33562 Yucaipa Blvd, Bldg 4-439

Yucaipa, Ca 92399

Phone: 909-910-2643 Email: Walt@wlvickersconstruction.com

Councilmember Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

RE: MOVING FORWARD WITH SB 555 PACE PROGRAM FOR THE COACHELLA VALLEY

Dear Councilmember De Coninck and Executive Committee Members:

As CVAG considers options for creating a regional PACE (Property Assessed Clean Energy) financing district, I urge you to move forward with the **Clean Energy Coachella Valley program by Ygrene.**

Over the next five years, a successful PACE program could create new jobs, provide \$200 million in project financing, and another \$500 million in related economic benefits for the Coachella Valley. This is a great opportunity for all concerned.

As a authorized PACE Contractor, I could not be more enthusiastic about the potential of PACE. We know from experience that property owners in our region need financing options for energy efficiency and renewable energy upgrades. That's why I support Ygrene's Clean Energy program. Ygrene offers the only program with these essential elements:

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Please include Clean Energy Coachella Valley by Ygrene as a PACE financing option in our region-it works and puts local contractors back to work.

Sincerely,

Walt Vickers

www.wlvickersconstruction.com www.vickersconstructiongrp.com www.american180synergies.com

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April 22, 2013

Councilman Joseph De Coninck
Chair, Executive Committee
Coachella Valley Association of Governments
73-710 Fred Waring Drive
Palm Desert, CA 92260

**RE: MOVING FORWARD WITH SB 555 PACE PROGRAM FOR THE
COACHELLA VALLEY**

Dear Councilman De Coninck and Executive Committee Members:

I have been involved with PACE since its birth. I worked for the City of Palm Desert for nine years where the Energy Independence Program (EIP) was first implemented. I know its value. I have seen it firsthand. I believe the Coachella Valley needs to implement a PACE program, and *now*. During my time with the City of Palm Desert I received a staggering amount of phone calls and email inquiries about the Palm Desert EIP. These calls came in from all over the country and some even from out of the country. A vast amount of these inquiries came from residents in our own Coachella Valley, wondering why they couldn't take advantage of Palm Desert's EIP and how they could get their respective city involved. I know the interest in this program is already there.

I am a resident and father of three here in the City of Indio. If there were a PACE program available for my city right now, my wife and I would already be on board.

There are numerous advantages to approving this item and moving it quickly including:

- **Committed and Available Funding:** This is the single most important factor for property owners. Clean Energy CVAG by Ygrene is the only PACE program that offers us pre-approved, up-front financing with the lowest fees of any PACE program. That means I can get my project financed up front without any headache or delay and get the project moving quickly with savings much sooner.
- **A Successful Program Model:** Ygrene's program builds upon the already familiar and successful Palm Desert EIP and Set To Save programs.
- **Local Commitment to the Coachella Valley:** Local contractors will benefit, more local jobs will be created, property owners will see the savings instead of paying outrageous energy rates, and the money will circulate within the Coachella Valley, increasing revenues for the cities (in the form of taxes, permits and other fees) ensuring a stronger economic area.

Property owners need an easy process to get projects done efficiently. They need easy approval with no out-of-pocket costs, knowledgeable local staff that can guide them

through the process, and a program with a proven track record. Ygrene's program can offer these things.

I completely support this program and urge you to make a motion to approve this item now so that the Coachella Valley can finally have a PACE program implemented.

Thank you,

A handwritten signature in black ink, appearing to read "Benjamin Druyon", with a long horizontal flourish extending to the right.

Benjamin Druyon
47401 Calle Rosarito
Indio, CA 92201

PACE

ValetVideo@aol.com <ValetVideo@aol.com>
To: kbarrows@cvag.org
Cc: crystal.crawford@ygrene.us

Wed, Apr 24, 2013 at 7:14 PM

Council Member Joseph De Coninck
Chair, Executive Committee
CVAG
Katie Barrows
Director of Environmental Resources CVAG

Dear Councilmember De Coninck and Executive Committee Members:

As a proud resident of Palm Desert not only did I participate in the Palm Desert PACE program (solar and pool pump) but I had the privilege to work as the Program Manager/Community Outreach Manager for the ground-breaking energy efficiency program, Set To Save. Since 2008 the City of Palm Desert and the Set To Save representatives were instrumental in reaching out to the community to educate the residents and business owners about the great things the program had to offer, such as CFL lighting, A/C tune-ups, sharing tips and ideas on how to lower utility consumption and informing the residents and business owners about the PACE loan program for energy upgrades.

I attended the February 25th CVAG meeting to learn more about the future of the PACE programs here in the Coachella Valley and to educate myself what will be offered to the residents and business owners. I would like to share my experience in dealing with our residents here in Palm Desert. Short and simple, we have a large population of seniors who are weary of outside companies and who want to "keep it local". We had several occasions when we tried to use out of area vendors and the residents were not happy. I believe we have enough local talent here in our Valley and need to do everything possible to steer any new work to our local contractors. My past experience has shown me that our residents want a local presence. Sure, things can be done over the phone, but how good would it feel to know that there is a local office that one can go to for assistance, or even complain, if need be. I strongly believe that it is very importance that there is a local office to educate our residents and business owners to ensure the success of any new PACE program.

Thank you,
Mark Wasson

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CVAG PACE Program Cost Comparison: Ygrene & HERO

Program Feature	YGRENE ENERGY FUND		PFM GROUP/CALIFORNIA HERO	
	Commercial	Residential	Commercial	Residential
Project Amount	\$100,000	\$30,000	\$100,000	\$30,000
Interest Rate	6.95% ¹	6.95% ¹	7.0% ²	8.25% ²
Project Funding Date	April 1, 2013	April 1, 2013	April 1, 2013	April 1, 2013
Security Deposit/Interest Reserve	\$3,033.00 ³	\$921.00 ³	\$299.58 ⁴	\$90.17
Capitalized Interest ⁵	\$1,784.53	\$541.89	\$3,257.76	\$1,155.65
Program Admin & Underwriting	\$250.00	\$250.00	\$2,773.87 ⁶	\$784.91 ⁶
Recording Fee	\$250.00	\$250.00	\$95.00	\$95.00
Application Fee (Ygrene)/Annual Admin Fee (HERO)	\$50	\$50	\$300.00	\$25.00
Energy Pro Software (Ygrene)	\$450 ⁷	\$50 ⁷	-	-
Cost Recovery/Conduit Issuer	\$100.00 (CVAG)	\$100.00 (CVAG)	\$1,275.98; (\$1,212.19 (WRCOG); \$63.79 (CVAG))	\$427.76; (\$261.06 (WRCOG); \$16.70 (CVAG))
Total Closing Costs	-	-	\$2,952.66 ⁸	\$817.83 ⁹
Total Financed/Bonded	\$105,917.53 ¹⁰	\$32,162.89 ¹⁰	\$110,954.85	\$33,396.32
Annual Payment	\$9,881.22	\$3,000.54	\$10,773.35	\$3,490.01
Term	20 years	20 years	20 years	20 years
Total Payment (over 20 years)	\$194,591.40 ¹¹	\$59,089.80 ¹¹	\$215,467.00	\$69,800.39
Contractor Fee	\$3,000.00 ¹¹	\$900.00 ¹¹	-	-

¹ Interest rate is fixed at the time a property owner enters into a contractual assessment for each project. The interest rate for the Ygrene PACE program is based on prime plus 3.2%; it may periodically change to be responsive to market conditions and support program sustainability.

² Interest rate is fixed at the time a property owner enters into a contractual assessment for each project. Investors that have committed capital have set the initial interest rate at a level that has not changed since HERO program launch; future changes will be negotiated by the PFM Group as financial advisor on behalf of participating cities and counties.

³ The Ygrene security deposit is an interest reserve which is fully refundable upon completion of the special tax payments assuming the property owner did not miss any payments over the term of the loan. The security deposit would be refunded or applied to the last payment. The security deposit is a reserve fund that is a credit enhancement required by Ygrene's initial funding partners. In California, the interest reserve is currently calculated as three percent (3%) of the sum of the construction amount plus the program fees; it is put up by the property owner and is rolled into the financing.

⁴ PFM has indicated that the commercial HERO program will likely not require a reserve fund. The HERO interest Reserve is not refundable.

⁵ Capitalized interest is the amount required for payment of the first interest payment and is calculated from the closing date of April 1, 2013.

⁶ These program administration and underwriting fees are included in the Closing Costs for each project. For comparison purposes, the Program Admin & Underwriting fees are shown separately from other closing costs for HERO.

⁷ Ygrene provides Energy Pro software (\$50 (residential) or \$450 (commercial))

⁸ Commercial: Total closing costs of 5.50% made up of 2.5% for Origination, Marketing and Program Administration (Samas Capital); \$1,109.55 (1% for Legal/Bond Counsel (BB&K)); \$554.77 (0.50%) for Assessment Administration (DTA); \$388.34 (0.35%) for Placement Agent (WCAH); \$1,275.98 (1.15%) for Conduit Issuer (WRCOG and CVAG costs under hybrid HERO – see table); with the "Hybrid HERO" model, CVAG would receive 0.05% (\$63.79) to cover administrative costs; \$750 flat fee for Financial Advisor (PFM); \$150 flat fee for Trustee (TBD).

⁹ Residential: Total closing costs of 5.63% made up of 2.50% Origination, Marketing and Program Administration (Renovate America (RA)); \$333.96 (1% for Bond Counsel (BB&K)); \$166.98 (0.50%) for Assessment Administration (DTA); \$116.89 (0.35%) for Placement Agent (WCAH); \$427.76 (1.28%) for Conduit Issuer (WRCOG and CVAG costs under hybrid HERO – see table); with the "Hybrid HERO" model, CVAG would receive 0.05% (\$16.70) to cover administrative costs; WRCOG pays \$150 flat fee for financial advisor (PFM) from their fee; RA pays Trustee (TBD) \$50 from their fee.

¹⁰ Property owner would have option of including the security deposit and capitalized interest in the project financing with a total financed amount of \$105,917.53 for commercial and \$32,162.89 for residential or pay these costs up front for a total financed amount of \$101,100.00 for commercial and \$30,700.00 for residential.

¹¹ Contractor Fee is paid by contractor (not property owner) to the District for software, support, marketing, and program operations.

CVAG PACE Program Features Comparison: Ygrene & HERO

Program Feature	YGRENE ENERGY FUND	PFM GROUP/ CALIFORNIA HERO
Enabling Legislation	SB 555 (http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_0551-0600/sb_555_bill_20111006_chaptered.pdf)	AB 811 (http://www.energy.ca.gov/recovery/documents/ab_811_bill_20080721_chaptered.pdf)
Eligible Properties	Public and private property	Existing private property
Time to Launch	6 months	6 months
Interest Rate	Prime + 3.2% = 6.95%	7% (commercial), 8.25% (residential)
Property Owner Eligibility	<ol style="list-style-type: none"> 1. Maximum 85% Loan-to-Value 2. Assessment Maximum 10% of Fair Value 3. No Property Tax Delinquency for 3 Years 4. No Mortgage Delinquency for 3 Years 5. Maximum Annual Property Taxes of 5% Fair Market Value 6. Funding Restricted to Eligible Improvements 7. All Contractors Must be Ygrene Certified 8. Projects Subject to Local Permit Requirements 9. Eligible Rebates and Incentives Deducted from Funding 10. Benefits-to-Cost Ratio Greater than One (Commercial Only) 	<ol style="list-style-type: none"> 1. Max 90% loan to value 2. Current on mortgage payments and property taxes 3. No bankruptcy for 7 years 4. Improvement costs < 15% of market value (residential), 20% of market value (commercial)
Program Funding	Warehouse line of credit; local bank funding; long-term securitization	Warehouse line of credit; Public/private capital markets; Private placement of bonds issued by California HERO
Risk to local Jurisdiction	<ol style="list-style-type: none"> 1. no effect on jurisdiction credit rating 2. no risk from default 	<ol style="list-style-type: none"> 1. no effect on jurisdiction credit rating 2. no risk from default
Validation Required	yes	yes
Cost to local gov't.	No cost (cost recovery available)	No cost
Customer contact	Local Energy Center, Website, Call Center?	Website, Call Center, Trained Contractors
Physical Presence	Local Energy Center	CVAG office as point of contact. Energy center would require additional local funding
Branding	Local customization, Clean Energy	CVAG HERO brand is an option
Website	One Click Pre-Qualification	One minute pre-qualification
Contractor Support	Free Training, project mgmt. software, individual advisor for each contractor, contractors as "sales force"	Free Training, project mgmt. software, contractors as "sales force"
Opt Out/Out Clause	Termination by either party with 2 year transition period to allow outstanding projects, assessments to be completed	Participating cities can opt out at any time
CVAG Exec. Committee Role	CVAG Executive Committee must authorize contracts, establish district, have program oversight	<ul style="list-style-type: none"> • With HERO Hybrid model, CVAG could have limited role
Independent CVAG Program?	Yes	<ul style="list-style-type: none"> • CVAG stand alone program not available • Under HERO Hybrid, WRCOG is responsible for program implementation. CVAG could participate for our region
Outreach & Marketing	Website, direct sales, advertising, workshops	Website, PR, outreach, workshops
Program Partners	Willdan Financial, Fidelity National Financial Green	Samas Capital, BB&K, Renovate America, David Taussig & Assoc.