

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

178



**FROM:** Executive Office

**SUBMITTAL DATE:**  
December 1, 2015

**SUBJECT:** Adoption of Resolution No. 2015-264 and Adoption of Resolution No. 2015-262, consenting to the inclusion of unincorporated Riverside County properties in the California Home Finance Authority PACE Programs.

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt Resolution 2015-264 consenting to the inclusion of Properties within the County's unincorporated area in CHF Community Facilities District 2014-1 (Clean Energy) to Finance Renewable Energy Generation, Energy Efficiency, Water Conservation and Electric Vehicle Charging Infrastructure Improvements; and
2. Adopt Resolution 2015-262 consenting to the inclusion of Properties within the County's unincorporated area in the CHF PACE Program to Finance Renewable Energy Generation, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure.

**BACKGROUND:**

**Summary**

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

*Alex Gann*  
\_\_\_\_\_  
Alex Gann  
Deputy County Executive Officer

Departmental Concurrence

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** N/A

Budget Adjustment: N/A  
For Fiscal Year: 15/16

**C.E.O. RECOMMENDATION:**

**APPROVE**

BY: *George A. Johnson*  
George A. Johnson

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
Nays: None  
Absent: None  
Date: December 15, 2015  
xc: EO

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

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

Prev. Agn. Ref.:

District: All

Agenda Number:

**3-42**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Adoption of Resolution No. 2015-264 and Adoption of Resolution No. 2015-262,  
consenting to the inclusion of unincorporated Riverside County properties in the California Home  
Finance Authority PACE Programs.**

**DATE: December 1, 2015**

**PAGE: 2 of 3**

**BACKGROUND:**

**Summary (continued)**

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

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

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

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

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

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

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

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

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

**Impact on Residents and Businesses**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: Adoption of Resolution No. 2015-264 and Adoption of Resolution No. 2015-262,  
consenting to the inclusion of unincorporated Riverside County properties in the California Home  
Finance Authority PACE Programs.**

**DATE: December 1, 2015**

**PAGE: 3 of 3**

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

**SUPPLEMENTAL:**

**Additional Fiscal Information**

The passage of these resolutions will not affect county finances.

**Contract History and Price Reasonableness**

N/A

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RESOLUTION NO. 2015-264

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA CONSENTING TO INCLUSION OF PROPERTIES WITHIN THE COUNTY'S UNINCORPORATED AREA IN THE CALIFORNIA HOME FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2014-1 (CLEAN ENERGY) TO FINANCE RENEWABLE ENERGY IMPROVEMENTS, ENERGY EFFICIENCY AND WATER CONSERVATION IMPROVEMENTS AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

Recitals

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

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

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

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

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

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

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

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

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

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

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

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

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

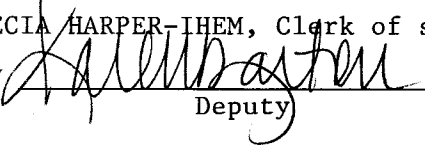
15 5. This Resolution shall take effect immediately upon its adoption. The Clerk of the  
16 Board of Supervisors is directed to send a certified copy of this resolution to the Secretary of the  
17 Authority.

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19 Passed and adopted by the Riverside County Board of Supervisors on this 15th day of  
December, 2015.

20 ROLL CALL:

21 Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
22 Nays: None  
23 Absent: None

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

25 KECIA HARPER-IHEM, Clerk of said Board  
26 By  Deputy

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**RESOLUTION NO. 2015-262**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

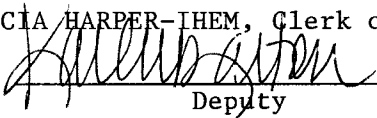
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1 Passed and adopted by the Riverside County Board of Supervisors on this 15th day of  
2 December, 2015.

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4 ROLL CALL:

5 Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
6 Nays: None  
7 Absent: None

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

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KECIA HARPER-IHEM, Clerk of said Board  
By  Deputy

 **Igrene** WORKS™

CONSUMER  
PROTECTION  
POLICY



# Consumer Protections

## Consumer Protection Policy

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

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

## Consumer Disclosures

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

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

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

## Quality Assurance and Control

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

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

## Contractor Approval and Training

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

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

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

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

## Project Quality Assurance

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

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

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

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

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

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

### Phased (Large/ Complex) Projects

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

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

## Property Owner Approval

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

## Funding Review and Approval

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

## Post-Close Audit

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

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



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



energy efficiency financing made easy

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