

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, APRIL 15, 2014**

MINUTE ORDER NO. 23

**SUBJECT: UPDATE AND EXPANSION ON RESIDENTIAL PROPERTY ASSESSED
CLEAN ENERGY (PACE) PROGRAM (DISTRICTS: ALL)**

OVERVIEW:

On August 6, 2013 (15) your Board of Supervisors took the necessary action to adopt into two Commercial PACE Programs, California HERO and Figtree PACE Program, in addition to the County's existing participation in CaliforniaFIRST. Staff has been monitoring recent developments made at the State level in hopes of mitigating concerns from the Federal Housing Finance Authority (FHFA). Governor Jerry Brown included a proposal in the Enacted FY 2013-14 State Budget authorizing the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to establish a PACE Loss Reserve Program through Senate Bill 96. This program was specifically designed to address FHFA's concerns through the use of a reserve fund that would reimburse residential PACE programs for costs associated with keeping mortgage interests whole in the event of a foreclosure or forced sale. The Loss Reserve Program will compensate mortgage lenders for losses resulting from the existence of a PACE lien in a foreclosure or forced sale. Claims will be paid from the reserve to the PACE program and may be used as a reimbursement to that program. PACE programs will pay a small administrative fee based on loan volume to help sustain this program. Governor Brown has allocated \$10 million for the implementation of this program in the 2013-14 State budget. The PACE Loss Reserve Program was officially launched in March and is currently accepting applications.

Today's recommendation is to take the necessary actions to expand the County's existing PACE program participation to include residential properties; contingent on the PACE Program being enrolled in the PACE Loss Reserve Program. The PACE Program will also provide disclosures to participants of the possibility of acceleration of existing obligations or prepayment of assessments to ensure property owners are aware of the potential risks.

FISCAL IMPACT:

There are no fiscal impacts associated with today's action.

BUSINESS IMPACT STATEMENT:

N/A

RECOMMENDATION:

CHIEF ADMINISTRATIVE OFFICER

Adopt the resolutions entitled:

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN
DIEGO AUTHORIZING THE WESTERN RIVERSIDE COUNCIL OF
GOVERNMENTS TO EXPAND PROGRAM PARTICIPATION IN THE HERO

PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS;

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY TO EXPAND PROGRAM PARTICIPATION IN THE FIGTREE PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS; and

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO EXPAND PROGRAM PARTICIPATION IN THE CALIFORNIAFIRST PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS.

ACTION:

ON MOTION of Supervisor D. Roberts, seconded by Supervisor R. Roberts, the Board took action as recommended, adopting the following:

Resolution No. 14-039, entitled: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS TO EXPAND PROGRAM PARTICIPATION IN THE HERO PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS;

Resolution No. 14-040, entitled: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY TO EXPAND PROGRAM PARTICIPATION IN THE FIGTREE PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS; and

Resolution No. 14-041, entitled: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO EXPAND PROGRAM PARTICIPATION IN THE CALIFORNIAFIRST PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS.

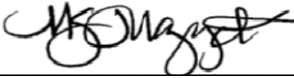
AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

- - -

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

THOMAS J. PASTUSZKA
Clerk of the Board of Supervisors

By 
Marvice E. Mazyck, Chief Deputy





COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

DAVE ROBERTS
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: April 15, 2014

23

TO: Board of Supervisors

SUBJECT: UPDATE AND EXPANSION ON RESIDENTIAL PROPERTY ASSESSED
CLEAN ENERGY (PACE) PROGRAM (DISTRICTS: ALL)

Overview

On August 6, 2013 (15) your Board of Supervisors took the necessary action to adopt into two Commercial PACE Programs, California HERO and Figtree PACE Program, in addition to the County's existing participation in CaliforniaFIRST. Staff has been monitoring recent developments made at the State level in hopes of mitigating concerns from the Federal Housing Finance Authority (FHFA). Governor Jerry Brown included a proposal in the Enacted FY 2013-14 State Budget authorizing the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to establish a PACE Loss Reserve Program through Senate Bill 96. This program was specifically designed to address FHFA's concerns through the use of a reserve fund that would reimburse residential PACE programs for costs associated with keeping mortgage interests whole in the event of a foreclosure or forced sale. The Loss Reserve Program will compensate mortgage lenders for losses resulting from the existence of a PACE lien in a foreclosure or forced sale. Claims will be paid from the reserve to the PACE program and may be used as a reimbursement to that program. PACE programs will pay a small administrative fee based on loan volume to help sustain this program. Governor Brown has allocated \$10 million for the implementation of this program in the 2013-14 State budget. The PACE Loss Reserve Program was officially launched in March and is currently accepting applications.

Today's recommendation is to take the necessary actions to expand the County's existing PACE program participation to include residential properties; contingent on the PACE Program being enrolled in the PACE Loss Reserve Program. The PACE Program will also provide disclosures to participants of the possibility of acceleration of existing obligations or prepayment of assessments to ensure property owners are aware of the potential risks.

Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

Adopt the resolutions entitled:

**SUBJECT: UPDATE AND EXPANSION ON RESIDENTIAL PROPERTY ASSESSED
CLEAN ENERGY (PACE) PROGRAM (DISTRICTS: ALL)**

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS TO EXPAND PROGRAM PARTICIPATION IN THE HERO PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY TO EXPAND PROGRAM PARTICIPATION IN THE FIGTREE PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO EXPAND PROGRAM PARTICIPATION IN THE CALIFORNIAFIRST PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS

Fiscal Impact

There are no fiscal impacts associated with today's action.

Business Impact Statement

N/A

Advisory Board Statement

N/A

Background

In 2008, AB 811 was enacted in California with the hope of stimulating the increased energy efficiency and use of alternative energy sources by home, business and industrial property owners. AB 811 established parameters for financing alternative energy sources or greater energy efficiencies for property owners by enabling the County to facilitate loans to property owners for making energy efficient property improvements ("Improvements") with pay-back through an assessment attached to the annual property tax bills. It is important to note that AB 811 did not provide for any funding, nor did it offer specifics as to how local jurisdictions could fund or administer such programs. Since that time additional State legislation has been enacted to expand the scope of AB 811 programs to include water efficiency improvements in efforts to help stimulate AB 811-type programs.

On December 9, 2008 (37), your Board approved exploring the feasibility of forming an AB 811 program, now known as a PACE program, in the County of San Diego, with the restriction that the County would seek to recover the cost of forming a PACE program through property assessments. Staff subsequently determined estimated costs associated with the County forming and administering a local PACE district were significant, and further determined that the recovery of these costs and the timing of their recovery were uncertain. On September 23, 2009 (15), your Board directed staff to explore the cost, benefits, and feasibility of County participation in CaliforniaFIRST, a statewide PACE program. On December 8, 2009 (30) your

**SUBJECT: UPDATE AND EXPANSION ON RESIDENTIAL PROPERTY ASSESSED
CLEAN ENERGY (PACE) PROGRAM (DISTRICTS: ALL)**

Board approved the County's participation in CaliforniaFIRST, a statewide AB 811 Property Assessed Clean Energy (PACE) program offered through California Statewide Communities Development Authority (CSCDA). The CaliforniaFIRST PACE program initially stalled due to issues brought forth by the Federal Housing Finance Authority (FHFA) on the residential side of the program. CaliforniaFIRST initiated their commercial program in September 2012, in which the County of San Diego is a participant by virtue of opting into the original program.

On February 26, 2013 (26) your Board of Supervisors directed the Chief Administrative Officer to review and analyze all commercial and residential PACE programs that currently exist and operate throughout the State of California and to report back to the Board of Supervisors within 120 days.

On May 14, 2013 (13) your Board received the staff report. On June 18, 2013 (26), your Board directed the Chief Administrative Officer to return to the Board of Supervisors within 60 days with the necessary actions to expand the County's commercial PACE program. The action also requested a report back on the expansion of residential PACE with vendors under both the AB 811 and SB 555 models with specific conditions: 100% indemnification to the County of San Diego; full cost recovery for the County of San Diego; a Letter of Credit in case of default with no risk to the County of San Diego; limit residential PACE to non-Federal Housing Finance Agency loans and homes without a loan; borrowers in San Diego County will not have their loan-to-value ratios adjusted as a result of expanding the PACE program. Separate action from the Board of Supervisors directed the Chief Administrative Officer to seek clarification from the FHFA on whether or not the loan-to-value ratios would be adjusted in a jurisdiction with a non-FHFA PACE program; provide options for both a Consent and a Notification PACE program with the pros and cons of each option; draft a letter for the Chair's signature to the President of the United States encouraging modification of existing PACE policies; and to draft a letter to Gary Gallegos, Executive Director of SANDAG, asking that the SANDAG Board consider evaluating the various PACE options and explore whether there are any regional benefits to having SANDAG establish a PACE district.

In response to the Board's direction, staff sent all applicable letters pertaining to the FHFA issue. Staff also sent a letter to SANDAG asking the SANDAG Board of Directors to consider evaluating PACE options from their regional perspective. Additionally, Purchasing & Contracting issued a Request For Information (RFI) at the end of June for program vendors to provide information on their respective PACE program, both commercial and residential.

On August 6, 2013 (15) your Board received a staff report and recommendations to join the two Joint Powers Agreements for commercial PACE programs that the County was not a participant in. Your Board approved the County's participation in the Commercial California HERO Property Assessed Clean Energy Program and the Commercial Figtree PACE Program, joining the CaliforniaFIRST PACE Program that your Board had previously opted to join. At this time your Board also directed the Chief Administrative Officer to look at legislative options that would legally allow a PACE lien to be subordinated and to include this action in the County's Legislative Program. The County's Office of Strategy and Intergovernmental Affairs included this in the 2014 Legislative Program's Sponsorship Proposals approved by your Board on December 3, 2013.

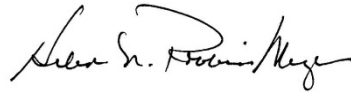
**SUBJECT: UPDATE AND EXPANSION ON RESIDENTIAL PROPERTY ASSESSED
CLEAN ENERGY (PACE) PROGRAM (DISTRICTS: ALL)**

In an effort to specifically address the concerns posed by FHFA, Governor Jerry Brown included a proposal in the Enacted FY 2013-14 State Budget authorizing the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to establish a PACE Loss Reserve program through Senate Bill 96. This program seeks to address FHFA's concerns through the use of a reserve fund that would reimburse residential PACE programs for costs associated with keeping mortgage interests whole in the event of a foreclosure or forced sale. The Loss Reserve Program will compensate mortgage lenders for losses resulting from the existence of a PACE lien in a foreclosure or forced sale. Claims will be paid from the reserve to the PACE program and may be used as a reimbursement to that program. PACE programs will pay a small administrative fee based on loan volume to help sustain this program. Governor Brown has allocated \$10 million for the implementation of this program in the 2013-14 State budget. Although FHFA has not yet commented on the Governor's action, the PACE Loss Reserve Program was officially launched in March and is currently accepting applications.

Linkage to the County of San Diego Strategic Plan

Today's proposed recommendation supports the Sustainable Environments Strategic Initiative in the County of San Diego's 2014-2019 Strategic Plan by expanding on the County's existing Residential Property Assessed Clean Energy (PACE) program.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

- 1- County Resolution- California HERO
- 2- County Resolution- Figtree
- 3- County Resolution- CaliforniaFIRST

SUBJECT: UPDATE AND EXPANSION ON RESIDENTIAL PROPERTY ASSESSED
CLEAN ENERGY (PACE) PROGRAM (DISTRICTS: ALL)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: ☐ Yes ☒ No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:

August 6, 2014 (15) EXPANSION OF COMMERCIAL PROPERTY ASSESSED CLEAN
ENERGY (PACE) PROGRAM AND UPDATE ON RESIDENTIAL PACE PROGRAM
(DISTRICTS: ALL)

June 18, 2013 (26) RESPONSE TO EVALUATION OF PROPERTY ASSESSED CLEAN
ENERGY (PACE) PROGRAMS (DISTRICTS: ALL)

May 14, 2013 (13) RESPONSE TO EVALUATION OF PROPERTY ASSESSED CLEAN
ENERGY (PACE) PROGRAMS (DISTRICTS: ALL)

February 26, 2013 (2) EVALUATING PACE PROGRAMS (DISTRICTS: ALL)

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION
NUMBER(S):**

N/A

ORIGINATING DEPARTMENT: Chief Administrative Office

OTHER CONCURRENCES(S): County Counsel

CONTACT PERSON(S):

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Donald F. Steuer

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Phone

Donald.Steuer@sdcounty.ca.gov

E-mail



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

DAVE ROBERTS
Third District

RON ROBERTS
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BILL HORN
Fifth District

DATE: April 15, 2014

23

TO: Board of Supervisors

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Recommendation(s)

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Fiscal Impact

There are no fiscal impacts associated with today's action.

Business Impact Statement

N/A

Advisory Board Statement

N/A

Background

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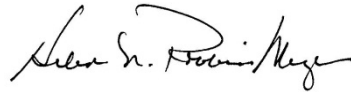
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Linkage to the County of San Diego Strategic Plan

Today's proposed recommendation supports the Sustainable Environments Strategic Initiative in the County of San Diego's 2014-2019 Strategic Plan by expanding on the County's existing Residential Property Assessed Clean Energy (PACE) program.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

- 1- County Resolution- California HERO
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SUBJECT: UPDATE AND EXPANSION ON RESIDENTIAL PROPERTY ASSESSED
CLEAN ENERGY (PACE) PROGRAM (DISTRICTS: ALL)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: ☐ Yes ☒ No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:

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BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION
NUMBER(S):**

N/A

ORIGINATING DEPARTMENT: Chief Administrative Office

OTHER CONCURRENCES(S): County Counsel

CONTACT PERSON(S):

Rachel H. Witt

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Donald F. Steuer

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RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS TO EXPAND PROGRAM PARTICIPATION IN THE HERO PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS

WHEREAS, on August 6, 2013, the Board of Supervisors adopted Resolution No. 13-105 ("Authorizing Resolution"), which authorized the Western Riverside Council of Governments ("WRCOG") to, among other things, conduct assessment proceedings within the unincorporated area of the County of San Diego ("County") to allow certain eligible property owners to participate in the HERO PACE Program; and

WHEREAS, the HERO PACE Program provides financing for certain renewable energy, energy efficiency and water efficiency improvements (Improvements) through the levy of voluntary contractual assessments under the Bond Improvement Act of 1915; and

WHEREAS, the Authorizing Resolution limited the availability of the HERO PACE Program to commercial properties due to issues raised by the Federal Housing Financing Authority ("FHFA") regarding residential Property Assessed Clean Energy ("PACE") programs; and

WHEREAS, in September 2013, the Governor of the State of California signed Senate Bill 96, a residential PACE Loss Reserve Program ("PACE Loss Reserve Program") specifically designed to address the FHFA's and the California Alternative Energy and Advanced Transportation Financing Authority ("Authority") launched the PACE Loss Reserve Program in March 2014;

WHEREAS, in light of this new development, the County deems it prudent to offer residential PACE options to eligible participants in the unincorporated areas contingent on the HERO PACE Program meeting certain programmatic requirements;

WHEREAS, this resolution authorizes the expansion of the HERO PACE Program to include residential properties within the unincorporated areas of the County; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Supervisors of the County of San Diego that the HERO PACE Program shall be available to all eligible property owners in the unincorporated areas of the County of San Diego, including owners of residential properties

BE IT FURTHER RESOLVED, the County's participation in the HERO PACE Program is contingent on the HERO PACE Program meeting the following

program requirements:

1. The HERO PACE Program is enrolled in the State PACE Loss Reserve Program;
2. The HERO PACE Program provides full disclosures to participants, including, but not limited to the disclosure that participation in the PACE Program may trigger acceleration of existing obligations of an existing mortgage and that the participant may be required to prepay the contractual assessments upon the refinancing or sale of the property.

BE IT FURTHER RESOLVED, this resolution shall take effect immediately upon its adoption and the Clerk of the Board of Supervisors is authorized and directed to transmit a certified copy of this resolution to the Secretary of WRCOG.

APPROVED AS TO FORM AND LEGALITY
THOMAS E. MONTGOMERY, COUNTY COUNSEL

BY: RACHEL H. WITT, SENIOR DEPUTY

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY TO EXPAND PROGRAM PARTICIPATION IN THE FIGTREE PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS

WHEREAS, on August 6, 2013, the Board of Supervisors adopted Resolution No. 13-106 ("Authorizing Resolution"), which authorized the California Enterprise Development Authority ("CEDA") to, among other things, conduct assessment proceedings within the unincorporated area of the County of San Diego ("County") to allow certain eligible property owners to participate in the Figtree PACE Program; and

WHEREAS, the Figtree PACE Program provides financing for certain renewable energy, energy efficiency and water efficiency improvements (Improvements) through the levy of voluntary contractual assessments under the Bond Improvement Act of 1915; and

WHEREAS, the Authorizing Resolution limited the availability of the Figtree PACE Program to commercial properties due to issues raised by the Federal Housing Financing Authority ("FHFA") regarding residential Property Assessed Clean Energy ("PACE") programs; and

WHEREAS, in September 2013, the Governor of the State of California signed Senate Bill 96, a residential PACE Loss Reserve Program ("PACE Loss Reserve Program") specifically designed to address the FHFA's and the California Alternative Energy and Advanced Transportation Financing Authority ("Authority") launched the PACE Loss Reserve Program in March 2014;

WHEREAS, in light of this new development, the County deems it prudent to offer residential PACE options to eligible participants in the unincorporated areas contingent on the Figtree PACE Program meeting certain programmatic requirements;

WHEREAS, this resolution authorizes the expansion of the Figtree PACE Program to include residential properties within the unincorporated areas of the County; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Supervisors of the County of San Diego that the Figtree PACE Program shall be available to all eligible property owners in the unincorporated areas of the County of San Diego, including owners of residential properties

BE IT FURTHER RESOLVED, the County's participation in the Figtree PACE Program is contingent on the Figtree PACE Program meeting the following

program requirements:

1. The Figtree PACE Program is enrolled in the State PACE Loss Reserve Program;
2. The Figtree PACE Program provides full disclosures to participants, including, but not limited to the disclosure that participation in the PACE Program may trigger acceleration of existing obligations of an existing mortgage and that the participant may be required to prepay the contractual assessments upon the refinancing or sale of the property.

BE IT FURTHER RESOLVED, this resolution shall take effect immediately upon its adoption and the Clerk of the Board of Supervisors is authorized and directed to transmit a certified copy of this resolution to the Secretary of CEDA.

APPROVED AS TO FORM AND LEGALITY
THOMAS E. MONTGOMERY, COUNTY COUNSEL

BY: RACHEL H. WITT, SENIOR DEPUTY

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO EXPAND PROGRAM PARTICIPATION IN THE CALIFORNIAFIRST PACE PROGRAM CONTINGENT ON CERTAIN PROGRAM REQUIREMENTS

WHEREAS, on December 8, 2009, the Board of Supervisors adopted Resolution No. 09-245 ("Authorizing Resolution"), which authorized the California Statewide Communities Development Authority ("California Communities") to, among other things, conduct assessment proceedings within the unincorporated area of the County of San Diego ("County") to allow certain eligible property owners to participate in the CaliforniaFIRST PACE Program; and

WHEREAS, the CaliforniaFIRST PACE Program provides financing for certain renewable energy, energy efficiency and water efficiency improvements (Improvements) through the levy of voluntary contractual assessments under the Bond Improvement Act of 1915; and

WHEREAS, on August 4, 2010, California Communities adopted a resolution suspending the residential component of its PACE program due to issues raised by the Federal Housing Financing Authority ("FHFA") regarding residential Property Assessed Clean Energy ("PACE") programs; and

WHEREAS, in September 2013, the Governor of the State of California signed Senate Bill 96, a residential PACE Loss Reserve Program ("PACE Loss Reserve Program") specifically designed to address the FHFA's and the California Alternative Energy and Advanced Transportation Financing Authority ("Authority") launched the PACE Loss Reserve Program in March 2014;

WHEREAS, on March 6, 2014, as a result of the State's creation of the PACE Loss Reserve Program, California Communities adopted a resolution to rescind its prior resolution to suspend residential PACE and take actions to launch the residential component of its PACE program.

WHEREAS, in light of this new development, the County deems it prudent to offer residential PACE options to eligible participants in the unincorporated areas contingent on CaliforniaFIRST PACE Program meeting certain programmatic requirements;

WHEREAS, this resolution authorizes the expansion of the CaliforniaFIRST PACE Program to include residential properties within the unincorporated areas of the County; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Supervisors of the County of San Diego

that the CaliforniaFIRST PACE Program shall be available to all eligible property owners in the unincorporated areas of the County of San Diego, including owners of residential properties

BE IT FURTHER RESOLVED, the County's participation in the CaliforniaFIRST PACE Program is contingent on the CaliforniaFIRST PACE Program meeting the following program requirements:

1. The CaliforniaFIRST PACE Program is enrolled in the State PACE Loss Reserve Program;
2. The CaliforniaFIRST PACE Program provides full disclosures to participants, including, but not limited to the disclosure that participation in the PACE Program may trigger acceleration of existing obligations of an existing mortgage and that the participant may be required to prepay the contractual assessments upon the refinancing or sale of the property.

BE IT FURTHER RESOLVED, that should CaliforniaFIRST fail to meet the program requirements required by this resolution, the County shall opt-out of the CaliforniaFIRST residential PACE Program.

BE IT FURTHER RESOLVED, this resolution shall take effect immediately upon its adoption and the Clerk of the Board of Supervisors is authorized and directed to transmit a certified copy of this resolution to the Secretary of California Communities.

APPROVED AS TO FORM AND LEGALITY
THOMAS E. MONTGOMERY, COUNTY COUNSEL

BY: RACHEL H. WITT, SENIOR DEPUTY