

## Julie Enea

---

**From:** Sharon L. Anderson  
**Sent:** Friday, July 17, 2015 4:33 PM  
**To:** Eve Perez (eperez@heroprogram.com)  
**Cc:** John Gioia; Mark Rodgers (mrodgers@renovateamerica.com); Julie Enea; David Twa; Jason Crapo  
**Subject:** FW: Hero AVM and Consumer Protections & Compliance Programs  
**Attachments:** AVM Letter for CCC.pdf; HERO Consumer Protections and Compliance Programs.pdf; hero.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Eve:

I meant to include you in this email too.

Have a nice weekend.

Sharon

**SHARON L. ANDERSON** | County Counsel  
Office of the County Counsel  
651 Pine Street, 9<sup>th</sup> Floor | Martinez, CA 94553  
☎925-335-1815 | [sharon.anderson@cc.cccounty.us](mailto:sharon.anderson@cc.cccounty.us)

---

**From:** Sharon L. Anderson  
**Sent:** Friday, July 17, 2015 4:22 PM  
**To:** John Gioia  
**Cc:** Mark Rodgers (mrodgers@renovateamerica.com); David Twa; Julie Enea; Jason Crapo; Thomas Geiger  
**Subject:** FW: Hero AVM and Consumer Protections & Compliance Programs

Hi John:

This confirms my understanding of this issues raised at our meeting on July 9, 2015, in your office with Eve Perez from HERO, and HERO's attorney Warren Diven. HERO has several concerns about the PACE program adopted by the County on June 16, 2015. I advised Ms. Perez that I would pass their concerns on to the involved County staff members. These issues are likely to arise when the first PACE provider agreement is presented to the Board for approval, and/or at a future meeting of the Internal Operations Committee.

1. **FMV v. Assessed Value.** Ms. Perez advised that basing eligibility on assessed value rather than fair market value poses a significant problem for the PACE providers. The way HERO described this process to us is that the contractor who installs the solar panels is the "boots on the ground" financing representative. When a homeowner decides that he or she wants to install solar equipment, the contractor will explain financing options to them right at the kitchen table. The contractor has the ability to immediately contact various financing agencies, for

example, Wells Fargo or a PACE provider, to see if the homeowner qualifies for financing. For a commercial loan, Wells Fargo would consider the homeowner's FICO credit score and determine if a personal loan was an option. For PACE financing, HERO has an app that can be used to immediately calculate fair market value of the residence. There is no need for a separate appraisal. Information regarding the HERO Home Value Calculation is described in the attached July 14, 2015, letter from RenovateAmerica. HERO said that it is very important to them that contractors be allowed to use this tool as part of the County's PACE program.

2. **Insurance.** Attached is a July 9, 2015, email from Christine Payne to Eve Perez describing contractor concerns with the County insurance requirements. The industry standard is \$1 million per occurrence and a \$2 million aggregate loss payout. HERO believes that contractors will not be able to meet the insurance limits set by the County's program (\$2 million per occurrence) and will not want to name the County as an "additional insured" on their policies because of the additional cost. Since the contractors are not constructing a County facility, HERO does not believe that the County actually receives any benefit from being named as an "additional insured" and views it as a requirement that is detrimental to the program for no good reason. This is an issue staff that may want to review with Risk Management.
3. **Indemnity.** There was a discussion about the contractors' indemnity obligation. HERO wanted to know whether the County would require contractors to indemnify the County for anything other than their own negligence or wrongful conduct. I said that this was not the intent of the indemnification language in the form operating agreement approved by the Board. The participating contractor is only required to indemnify, defend, protect, save and hold harmless, the County (and named officers and employees) from claims, cost, liability, expense and damages arising out of or connected with the contractor's actions. The intent was not to make the participating contractor responsible for the actions of the PACE Provider or PACE Administrator.

Sharon

**SHARON L. ANDERSON** | County Counsel  
Office of the County Counsel  
651 Pine Street, 9<sup>th</sup> Floor | Martinez, CA 94553  
☎ 925-335-1815 | [sharon.anderson@cc.cccounty.us](mailto:sharon.anderson@cc.cccounty.us)

---

**From:** Eve Perez [<mailto:eperez@heroprogram.com>]  
**Sent:** Friday, July 17, 2015 9:32 AM  
**To:** Sharon L. Anderson  
**Cc:** Thomas Geiger; Warren Diven; John Gioia; Mark Rodgers  
**Subject:** Hero AVM and Consumer Protections & Compliance Programs

Good Morning Sharon,

Per your request during our meeting last week, attached is detailed information on Hero's Automated Valuation Model. In addition, I've attached a summary of how our Consumer Protections and Contractor Compliance Programs come into play during the lifecycle of a project. We strive to ensure property owners have the best customer experience while ensuring they're well informed with proper protections in place. Please note that no other form of financing provides these consumer protections.

Warren Diven and I look forward to hearing from your team regarding the contractor indemnification language, contractor's general liability per occurrence limit, builders risk, and contractor's adding the County as an additional insured.

Please let me know if you have questions or need any additional information. Many thanks to you and Thomas for meeting with us. We appreciate all your efforts.

Best,  
Eve

**Eve Perez, Director of Municipal Development** | Direct: 831-419-6741 |



Renovate America, Inc. | 15073 Avenue of Science | Ste 200 | San Diego, CA 92128

Confidentiality Statement: The information in this message may be privileged and/or confidential and protected from disclosure. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by replying to this message and deleting the material from any computer. Thank you.