



Agenda

INTERNAL OPERATIONS COMMITTEE

May 23, 2016
11:00 A.M.

651 Pine Street, Room 101, Martinez

Supervisor John Gioia, Chair
Supervisor Candace Andersen, Vice Chair

Present: John Gioia, Chair
Candace Andersen, Vice Chair

Staff Present: Julie DiMaggio Enea, Staff

Attendees: Michael Kent, Health Services Department
Kara Douglas, Conservation & Development Dept
Lindy Lavendar, District IV Supervisor's Office
Russell Watts, Treasurer-Tax Collector
Jason Crapo, Deputy DCD Director
John Kopchik, DCD Director
Jill Ray, District II Supervisor's Office
Tom Geiger, Asst. County Counsel
Allison Picard, Chief Asst CAO
Dustin Reilich, HERO Program
Phyllis Gordon, Commission for Women
James Hamill, CSCDA Managing Director
Jonathan Kevles, Renew Financial
Eve Perez, HERO Program
Charles Davidson
Linus Eukel

1. Introductions

Chair Gioia called the meeting to order at 11:05 a.m. and self-introductions were made around the room.

2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).

No members of the public asked to speak during the public comment period.

3. RECEIVE and APPROVE the Record of Action for the April 25, 2016 IOC meeting.

The Record of Action for the April 25, 2016 IOC meeting was approved as presented.

AYE: Chair John Gioia, Vice Chair Candace Andersen

Passed

4. RECOMMEND to the Board of Supervisors the reappointment of Thomas Weber to the BOS Appointee 1 seat on the Airport Land Use Commission for a new four-year term expiring on May 4, 2020.

The Committee approved the nomination to reappoint Thomas Weber to the BOS Appointee 1 seat on the Airport Land Use Commission to a new four-year term expiring on May 4, 2020 and directed staff to forward the Committee's recommendation to the Board of Supervisors.

AYE: Chair John Gioia, Vice Chair Candace Andersen

Passed

5. CONSIDER approving nominations by the Affordable Housing Finance Committee to the following seats:

Seat	Applicant	Term Expiration
Community #2	Bijal Patel	6/30/18
Community #3	Lisa Caronna	6/30/19
County #3	Tom Shephard	6/30/19

The Committee approved the Affordable Housing Finance Committee's nominations to appoint Bijal Patel to the Community #2 seat to a term ending 6/30/18, and reappoint Lisa Caronna to the Community #3 seat and Tom Shephard to the County #3 seat to terms endings 6/30/19, on the Affordable Housing Finance Committee; and directed staff to forward the Committee's recommendations to the Board of Supervisors.

AYE: Chair John Gioia, Vice Chair Candace Andersen

Passed

6. APPROVE Hazardous Materials Commission nomination to appoint Charles Davidson (Hercules) to the Environmental Organization #3 Alternate seat to complete the unexpired term ending on December 31, 2016 and to a new four-year term ending on December 31, 2020.

The Committee interviewed Charles Davidson and Linus Eukel for the Environmental Organization #3 Alternate seat. Supervisor Anderson was reluctant to recommend candidates who, philosophically, were biased against anything other than renewable energy, considering the number of refineries operating within the county. Supervisor Gioia said he expects members to be open-minded but it was beneficial to have differing viewpoints and important to achieve geographic representation on the advisory bodies; and for this body in particular to have west county represented due to the operation of refineries in west county. He would like to see someone who would replace Henry Clark's voice on the Commission.

ACTION: Lacking unanimous Committee approval for either candidate and recognizing that the Hazardous Materials Commission did not interview or recommend Mr. Eukel, the Committee directed the Hazardous Materials Commission to conduct a new recruitment and submit a new nomination to the IOC. The Committee asked, when the nomination comes back, for staff to indicate the city of residence of all Commission members and which agency each member is representing.

Michael Kent noted that providing the city of residence hasn't been a practice because there are no geographic requirements for the seats in question. Supervisor Andersen acknowledged that point and commented that she would not expect to have equal representation on this Commission from her District since most of the county's industry was located in east and west county.

AYE: Chair John Gioia, Vice Chair Candace Andersen

Passed

7. CONSIDER comments by the Commission for Women regarding the pending recommendation to modify the membership configuration of the Commission.

Commission for Women Membership Chair Phyllis Gordon reviewed her letter to the IOC and clarified that she is the Membership Chair but not the Commission Chair. She reported that most of the District Seat vacancies have been filled or are in the process of being filled. She said that the Commission prefers the current seat configuration to what was proposed by the IOC. She noted that in the past, some District seats were left vacant for more than two years. She observed that despite lacking County staff support and funding, the Commission is functional. The Commission has done a lot of membership outreach and has held meetings at locations throughout the county.

Supervisor Anderson was inclined to maintain the current seat configuration and observed that the Commission operates independently and with effectiveness. The BOS supports the Commission's efforts. In reference to improving geographical representation in Commission membership, Ms. Gordon stated that she would appreciate receiving referrals from the District offices of applicants for the At Large seats.

Supervisor Gioia concurred with maintaining the status quo membership configuration, since the Commission currently has At Large seat vacancies.

AYE: Chair John Gioia, Vice Chair Candace Andersen

Passed

8. ACCEPT status report on the implementation of Property Assessed Clean Energy financing in the County unincorporated area.

Jason Crapo presented the staff report.

Supervisor Gioia invited the PACE providers to identify any issues they have with the County's requirements. James Hamill (CSCDA) explained that CSCDA is a joint powers authority that was established in 1988 and sponsored by the League of CA Cities and CSAC. CSCDA provides a broad range of products (PACE being only one). CSCDA has extensive bonding experience; all bond obligations revert back to the borrower and do not become obligations of the city or county. In all 1400 bond transactions of over \$50 billion, there is no history of litigation against counties or cities associated with the transaction.

CSCDA contracts with CA First to operate the PACE program. CSCDA is a pass-through agency and the day to day operations fall under CA First. CSCDA (PACE Provider) is willing to indemnify the County for the collection of the tax assessments but not the operation of the PACE program. He said it would be more appropriate for the CA First (PACE Administrator) to indemnify the County for PACE program operations. He cited the community infrastructure program operated by CSCDA on behalf of the County and the State, which also collects through tax assessments, and does not require insurance. He has no objection to the County placing these requirements on CA First but said his board is not inclined to agree to such requirements for CSCDA.

Jason Crapo explained that the operating agreement (OA) is between the County and the JPAs (PACE Providers), which are entities that have the legal authority to create the assessment districts within which the PACE Administrators operate. The County is seeking full indemnification from the PACE Providers for any lawsuits arising from the operation of the PACE programs. In addition, the County is requiring PACE Providers to carry general liability insurance. WRCOG, the PACE Provider for the HERO Program, is self-insured. The County's Risk Manager recommends that PACE Providers carry \$5 million insurance coverage either by taking out a policy or being named as an insured on another agency's policy.

James Hamill stated that in every assessment contract, the property owner is required to hold CSCDA and the County harmless.

Dustin Reilich with Renovate America (HERO Administrator) said that he had a list of ten issues/challenges with the agreement that WRCOG had signed with the County, but that he was reconciled to all of the County's requirements except for inclusion of the FHFA letter. He said that they have developed disclosure terminology with ABAG to protect consumers that provides the same cautions as in the FHFA letter, and that, technologically, requiring that letter to be included in their statewide or countrywide application packet is problematic.

***ACTION:** The Committee asked Tom Geiger to review the HERO disclosures, and if they reflect the spirit and intent of the FHFA letter, then the Committee would recommend eliminating the FHFA letter requirement from the OA. This OA amendment can go directly to the BOS for consideration.*

With regard to the insurance and indemnification requirements, Tom Geiger explained the risk issues and advised that the level of risk the Committee was willing to accept is more of a policy decision than a legal issue. He explained that the County's agreement with WRCOG provided full indemnification of the County for the PACE program and the actions of the PACE Administrators and contractors. Whereas, CSCDA is proposing that it indemnify the County only for placement of taxes on the tax roll. Since the County is not in contract with parties other than the PACE Provider (CSCDA), it would have no recourse with the property owner, contractors, or PACE Administrators. If CSCDA refuses to fully indemnify the County as WRCOG did, then the practical solution for moving forward with CSCDA is for the County to enter into separate contracts with CSCDA's PACE Administrators, e.g. CA First, for insurance and indemnification.

Jason Crapo emphasized that the reason it's appropriate for the County to contract with and be indemnified by the PACE Providers/JPs rather than the PACE Administrators, is that the PACE Providers are ultimately responsible for the tax assessments for the life of the assessment, which could be as long as 20 years. PACE Administrators may come and go over that period, business relationships may change, but the PACE Provider is the entity that is legally responsible and that is the important contractual relationship for the County.

***ACTION:** The IOC directed County Counsel to review CA First's proposed agreement to indemnify the County and confer with CA First's legal counsel, and work with County staff to bring the agreement to the Board for consideration.*

AYE: Chair John Gioia, Vice Chair Candace Andersen
Passed

9. The next meeting is currently scheduled for June 27, 2016.
10. Adjourn

Chair Gioia adjourned the meeting at 12:25 p.m.

For Additional Information Contact:

Julie DiMaggio Enea, Committee Staff
Phone (925) 335-1077, Fax (925) 646-1353
julie.enea@cao.cccounty.us



Contra Costa County Board of Supervisors

Subcommittee Report

INTERNAL OPERATIONS COMMITTEE

3.

Meeting Date: 05/23/2016

Subject: RECORD OF ACTION FOR THE APRIL 25, 2016 IOC MEETING

Submitted For: David Twa, County Administrator

Department: County Administrator

Referral No.: N/A

Referral Name: RECORD OF ACTION

Presenter: Julie DiMaggio Enea, IOC
Staff

Contact: Julie DiMaggio Enea (925)
335-1077

Referral History:

County Ordinance requires that each County body keep a record of its meetings. Though the record need not be verbatim, it must accurately reflect the agenda and the decisions made in the meeting.

Referral Update:

Attached is the Record of Action for the April 25, 2016 IOC meeting.

Recommendation(s)/Next Step(s):

RECEIVE and APPROVE the Record of Action for the April 25, 2016 IOC meeting.

Fiscal Impact (if any):

None.

Attachments

DRAFT Record of Action for 4-25-16 IOC Meeting

Minutes Attachments

No file(s) attached.



Contra Costa County Board of Supervisors

Subcommittee Report

INTERNAL OPERATIONS COMMITTEE

4.

Meeting Date: 05/23/2016
Subject: CANDIDATE INTERVIEWS FOR AIRPORT LAND USE COMMISSION
Submitted For: John Kopchik, Director, Conservation & Development Department
Department: Conservation & Development
Referral No.: IOC 16/5
Referral Name: ADVISORY BODY RECRUITMENT
Presenter: Jamar Stamps **Contact:** Jamar Stamps (925) 674-7832

Referral History:

The Board of Supervisors created the Airport Land Use Commission (ALUC) in 1970 to promote the orderly development of compatible land uses around each public airport in the County, in order to safeguard both the interests of the general public and the welfare of inhabitants in the areas surrounding the airports. The California Public Utilities Code requires and specifies the composition of the ALUC, whose membership shall include:

- (1) Two representing the cities in the county, appointed by a city selection committee comprised of the mayors of all the cities within that county, except that if there are any cities contiguous or adjacent to the qualifying airport, at least one representative shall be appointed therefrom.
- (2) Two representing the county, appointed by the board of supervisors.
- (3) Two having expertise in aviation, appointed by a selection committee comprised of the managers of all of the public airports within that county.
- (4) One representing the general public, appointed by the other six members of the commission.

The Internal Operations Committee conducts interviews for the two County seats described in item 2, above, and makes recommendations to the Board of Supervisors for appointment. Seat terms are four years, expiring the first Monday in May.

Referral Update:

The term of the Appointee #1 seat expired on May 2, 2016 and incumbent Tom Weber continues to serve in that capacity until the Board appoints a successor, whose term will expire on May 4, 2020.

The Conservation and Development Department recruited for three weeks to fill the vacancy. Only one application, attached, was received, from incumbent Thomas Weber (Pleasant Hill). Also attached is the current Commission roster and recruitment announcement.

Recommendation(s)/Next Step(s):

RECOMMEND to the Board of Supervisors the reappointment of Thomas Weber to the BOS Appointee 1 seat on the Airport Land Use Commission for a new four-year term expiring on May 4, 2020.

Fiscal Impact (if any):

None.

Attachments

Candidate Application ALUC Tom Weber

ALUC Roster April 2016

ALUC Recruitment Announcement

Minutes Attachments

No file(s) attached.



Contra Costa County Board of Supervisors

Subcommittee Report

INTERNAL OPERATIONS COMMITTEE

5.

Meeting Date: 05/23/2016

Subject: NOMINATION TO THE AFFORDABLE HOUSING FINANCE COMMITTEE

Submitted For: John Kopchik, Interim Director, Conservation & Development Department

Department: Conservation & Development

Referral No.: IOC 16/5

Referral Name: ADVISORY BODY RECRUITMENT

Presenter: Julie DiMaggio Enea **Contact:** Kara Douglas, DCD, (925) 674-7205

Referral History:

The IOC reviews nominations made by the Affordable Housing Finance Committee for appointments to all Committee seats except the City seats. Seat terms are three years ending on June 30.

On June 30, 2016, the term of office for the County #3 and Community #3 seats will expire. Also, the County #2 and Community #2 seats are currently vacant with term expirations of June 30, 2018.

Referral Update:

Attached is a letter transmitting the Affordable Housing Finance Committee's nominations to fill the Community #2 and #3, and County #3 seats. The County #2 seat remains vacant until a new recruitment can be conducted.

Recommendation(s)/Next Step(s):

CONSIDER approving nominations by the Affordable Housing Finance Committee to the following seats:

Seat	Applicant	Term Expiration
Community #2	Bijal Patel	6/30/18
Community #3	Lisa Caronna	6/30/19
County #3	Tom Shephard	6/30/19

Fiscal Impact (if any):

None.

Attachments

AHFC Transmittal Letter

Candidate Application Bijal Patel AHFC

Candidate Application Lisa Caronna AHFC

Candidate Application Tom Shephard AHFC

AHFC Roster April 2016

Minutes Attachments

No file(s) attached.



Contra Costa County Board of Supervisors

Subcommittee Report

INTERNAL OPERATIONS COMMITTEE

6.

Meeting Date: 05/23/2016
Subject: NOMINATION TO THE HAZARDOUS MATERIALS COMMISSION
Submitted For: William Walker, M.D., Health Services Director
Department: Health Services
Referral No.: IOC 16/5
Referral Name: Advisory Body Recruitment
Presenter: Julie DiMaggio Enea **Contact:** Michael Kent (925) 313-6712

Referral History:

In 2013, IOC reviewed Board Resolution Nos. 2011/497 and 2011/498, which stipulate that applicants for At Large/Non Agency-Specific seats on specified bodies are to be interviewed by a Board Committee. The IOC made a determination that it would delegate the screening and nomination to fill At Large seats on the Hazardous Materials Commission to the Commission or a subcommittee thereof.

Referral Update:

The Environmental Organization #3 Alternate seat was vacated on March 8, 2016 when Ush Vedagiri was reassigned to the Environmental Organizations #2 seat. The Commission recruited and interviewed one candidate, and nominates Charles Davidson for appointment to the seat. Since there is only about seven months left on the current seat term, which expires on December 31, 2016, staff recommends that the IOC appoint Mr. Davidson to complete the current term and also to a new four-year term expiring on December 31, 2020.

A second application from Linus Eukel (Orinda) was received late and is also attached, along with the current Commission roster, for the Committee's information.

Recommendation(s)/Next Step(s):

APPROVE Hazardous Materials Commission nomination to appoint Charles Davidson (Hercules) to the Environmental Organization #3 Alternate seat to complete the unexpired term ending on December 31, 2016 and to a new four-year term ending on December 31, 2020.

Fiscal Impact (if any):

No fiscal impact.

Attachments

Letter of Transmittal HazMat Commission

Candidate Application HMC Charles Davidson

Charles Davidson Endorsement Letter

Candidate Application HMC Linus Eukel

HazMat Commission Roster May 2016

Announcement Letter

Announcement Flyer

Media Release HazMat Commission Vacancy

Minutes Attachments

No file(s) attached.



Contra Costa County Board of Supervisors

Subcommittee Report

INTERNAL OPERATIONS COMMITTEE

7.

Meeting Date: 05/23/2016

Subject: Advisory Body Triennial Review Phase I Follow-up Item: Commission for Women

Submitted For: David Twa, County Administrator

Department: County Administrator

Referral No.: IOC 16/7

Referral Name: Advisory Body Triennial Review

Presenter: Julie DiMaggio Enea **Contact:** Julie DiMaggio Enea (925) 335-1077

Referral History:

At its March 28, 2016 meeting, in the context of the BOS Triennial Advisory Body Review, the Board's Internal Operations Committee (IOC) decided to propose to the Board of Supervisors that the seat configuration of the Commission for Women be modified from "5 District seats + 15 At Large seats and 1 Alternate" to "10 District seats + 10 At Large seats and 1 Alternate". The IOC's objective for this change is to achieve a more balanced geographical representation on the Commission. The IOC proposes that this change be achieved through attrition of current members so that current members would serve out their complete terms and would not be impacted by the change.

Here is a link to the [March 28, 2016 IOC report](#) on this matter.

Here is a link to the [meeting minutes on this matter \(Scroll down to Item 7\)](#).

The IOC asked staff to solicit comments from the Commission on this proposed change prior to making the recommendation to the Board of Supervisors. Staff solicited comments from the Commission via email on April 1.

Referral Update:

The Commission considered the IOC's recommendation at its regular meeting on May 17, and provides the **attached comments** from Commission Chair Phyllis Gordon and Commissioner Ms. Joey D. Smith.

Recommendation(s)/Next Step(s):

CONSIDER comments by the Commission for Women regarding the pending recommendation to modify the membership configuration of the Commission.

Fiscal Impact (if any):

No fiscal impact.

Attachments

Comments from Commission for Women Chair Phyllis Gordon

Comments from Joey D. Smith Commission for Women

Commission for Women Roster May 2016

Minutes Attachments

No file(s) attached.



Contra Costa County Board of Supervisors

Subcommittee Report

INTERNAL OPERATIONS COMMITTEE

8.

Meeting Date: 05/23/2016
Subject: PACE Financing
Submitted For: John Kopchik, Director, Conservation & Development Department
Department: Conservation & Development
Referral No.: 16/12
Referral Name: PACE Financing
Presenter: Jason Crapo, Conservation & Development Department **Contact:**

Referral History:

The topic of PACE Financing is an ongoing referral to the Internal Operations Committee. This is a status report.

Referral Update:

General Background on PACE Financing

California law allows cities, counties, and other authorized public agencies to establish voluntary financing districts to facilitate energy and water efficiency improvements to existing residential and commercial properties. Such financing is commonly referred to as Property Assessed Clean Energy (PACE) financing. Once established, property owners within the boundaries of such a district can voluntarily choose to enter into a contractual assessment and borrow funds from the district to make energy efficiency improvements to private property. The assessment is then repaid in installments on the property tax bill. If the property owner were to default on their property taxes, the Treasurer-Tax Collector would have the authority to foreclose on the property to collect payment.

Over the past few years, several PACE financing providers have expressed interest in establishing PACE financing districts and offering PACE loans to property owners in Contra Costa County. Such financing districts would not be formed or operated by the County, but the establishment of such financing districts requires a resolution of approval by the Board of Supervisors. For most current PACE programs, the sponsoring public agency is a joint powers authority (JPA), which forms the financing district and is responsible for its administration. In such cases, the County would need to be a member of the JPA in order for the PACE program to operate within the County's jurisdiction.

Benefits and Risks of PACE

PACE financing has the potential to generate both environmental and economic benefits to County residents, and is consistent with County policy objectives to improve energy efficiency

and reduce greenhouse gas emissions. Improved energy efficiency on private property reduces greenhouse gas emissions and the associated negative impacts of climate change, consistent with the County's Climate Action Plan. Construction of energy and water efficiency improvements on private property also stimulates the local economy, expanding employment and increasing tax revenue for the County.

However, PACE financing also involves risks to property owners and the County. PACE financing is a complex financial product, similar in many ways to a mortgage or a home equity line of credit. The contractual terms of PACE loans are complicated, and can be difficult to understand. Therefore, as with mortgages and other complex financial products, there is a risk that consumers may not fully understand the products they are buying, potentially resulting in the purchase of a loan that is not in the best interest of the consumer.

The federal government has long recognized the risks associated with residential lending products and has regulated the mortgage industry for many years in an effort to protect consumers from such risks. Still, the complexities of mortgage lending have resulted in numerous law suits involving lenders, consumers, and public agencies. These factors contributed to the decision by Congress to enhance consumer protections for borrowers through the creation of the federal Consumer Protection Bureau, established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank).

Dodd-Frank and other federal regulations include provisions requiring mortgage lenders to provide various financial disclosures to potential borrowers and verify that borrowers have a reasonable ability to repay loans they are seeking. In practice, this means mortgage lenders verify borrowers' income and review borrowers' credit reports and tax returns. PACE lending has no such statutory or regulatory requirements. The lack of consumer protection regulation associated with PACE makes it easier for borrowers to obtain PACE financing compared to obtaining a mortgage, but it also increases the risk that consumers will enter into PACE loans they do not understand or do not have the ability to repay.

PACE not only shares the risks to consumers associated with other complex financial products, but also has additional risks to consumers resulting from regulatory intervention by the federal government to discourage the use of PACE financing. In 2010, the Federal Housing Financing Agency (FHFA), the federal agency that regulates the mortgage industry, took actions to prevent Fannie Mae and Freddie Mac from purchasing mortgages for properties with PACE liens. This negatively impacts consumers, resulting in circumstances where home owners have been forced to pay off their PACE loans in order to sell their home or refinance their existing mortgage.

The risks for consumers associated with PACE financing also result in risks for the County. Although the County does not directly operate PACE programs, the Board of Supervisors must authorize the operation of PACE programs within the County's jurisdiction. Therefore, the County is at risk of being named in law suits that may arise from the impacts PACE financing programs have on consumers.

To facilitate the environmental and economic benefits of PACE financing while also managing the risks such programs represent to home owners and the County, the County has established policies to that require PACE programs operating within the County's jurisdiction to implement measures that protect consumers and the County from the risks associated with PACE.

Prior Actions by the County

On June 16, 2015, the Board of Supervisors (the Board) approved the recommendation of the Internal Operations Committee to direct the Department of Conservation and Development (DCD) to establish an application process and accept applications from PACE providers to operate within the unincorporated area of the County. The Board also approved the form of an Operating Agreement the County would require PACE providers to enter into with the County as a condition of operations.

The purpose of the Operating Agreement is to enable PACE programs to operate within the County's jurisdiction while also establishing terms and conditions to protect the County and home owners from the risks associated with PACE programs. The Operating Agreement was prepared by County Counsel, with extensive input from the CAO, Treasurer-Tax Collector, Auditor Controller and DCD.

The Operating Agreement addresses the risks associated with PACE financing through three mechanisms:

1. Disclosure of risks and costs to consumers
2. Indemnification of the County from legal claims
3. Participation of PACE programs in the State's PACE Loss Reserve Program

Disclosure requirements in the County's PACE Operating Agreement are designed to help property owners understand the terms of PACE loans so they can act as informed consumers. Although the County's PACE disclosure requirements are much less rigorous than the disclosure requirements associated with mortgages, they assure that consumers receive basic financial information about the terms of PACE loans, and information about the potential impacts to consumers associated with FHFA's regulation of PACE. AB 2693 was introduced in February in response to growing concern about misinformed or uninformed PACE consumers. The legislation, as currently amended, would add consumer protections by placing limits on the amounts of PACE loans, and establishing uniform underwriting criteria and financial disclosures, much like what the County requires in its PACE Operating Agreement.

Indemnification is the primary means by which the Operating Agreement protects the County from risks associated with PACE financing. Although the County is not involved in the operation of PACE programs, some property owners and other interested parties may mistakenly perceive PACE to be a County program. This perception could result from the fact that the Board of Supervisors must give approval for PACE programs to operate within the County's jurisdiction. The perception that the County is partially responsible for the operation of PACE programs could expose the County to potential legal claims. Therefore, the Operating Agreement requires PACE providers to fully indemnify and defend the County from any and all claims resulting from PACE programs.

Participation of PACE programs in the State's PACE Loss Reserve Program, operated by a division of the State Treasurer's Office, is required in the County's Operating Agreement as a best practice designed to mitigate risks to mortgage lenders associated with PACE programs.

Current Status of PACE within the County's Jurisdiction

Following the Board's direction in June 2015 that County staff establish a PACE application process, DCD received applications from two PACE financing programs in July 2015: HERO and CaliforniaFirst. County staff proceeded to review the application materials submitted and negotiate Operating Agreements with both programs.

On November 17, 2015, the Board approval an Operating Agreement with the Western Riverside Council of Governments (WRCOG), the joint powers authority (JPA) responsible for the HERO program, and adopted a Resolution authorizing the HERO program to operate within the unincorporated area of the County. All legal documents associated with this action have been fully executed by the County and WRCOG. WRCOG has since initiated a court proceeding to legally validate the operation of the HERO program within the County. In April 2016, WRCOG informed County staff that the HERO program would become operational in the unincorporated area of the County within "a few weeks."

The County has not concluded an Operating Agreement with the California Statewide Communities Development Authority (CSCDA), the JPA responsible for the CaliforniaFirst program. Unlike WRCOG, CSCDA has not agreed to the indemnification and insurance provisions in the County's PACE Operating Agreement. The alternative provisions proposed by CSCDA would expose the County to unnecessary risk, and therefore staff has not recommended the Board approve an Operating Agreement with CSCDA.

Recommendation(s)/Next Step(s):

ACCEPT status report on the implementation of Property Assessed Clean Energy financing in the County unincorporated area.

Fiscal Impact (if any):

No fiscal impact associated with accepting this report.

Attachments

No file(s) attached.

Minutes Attachments

No file(s) attached.
