



Mendocino County

Legislation Text

File #: 16-1094, **Version:** 1

To: Board of Supervisors

From: Executive Office

Meeting Date: November 14, 2016

Department Contact: Christopher Shaver

Phone: 463-4441

Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Adoption of Resolution Approving the Inclusion of Properties within the County's Jurisdiction in the California HERO Program to Finance Distributed Generation Renewable Energy Sources, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approval of an Amendment to a Certain Joint Powers Agreement Adding County of Mendocino as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services

Recommended Action/Motion:

Adopt Resolution approving the inclusion of properties within the County's jurisdiction in the California HERO Program to finance distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure and approve the amendment to a certain joint powers agreement adding County of Mendocino as an associate member of the Western Riverside Council of Governments to permit the provision of Property Assessed Clean Energy (PACE) program services; and authorize Chair to sign same.

Previous Board/Board Committee Actions:

On July 7, 2015, the Board of Supervisors adopted resolution No. 15-104 & No. 15-105 authorizing California First and Ygrene to finance renewable energy sources, energy and water conservation improvements and electric vehicle charging infrastructure. In addition, the Board approved resolution No. 15-107 with authorizing the execution of an agreement for the collection of special taxes and contractual assessments.

Assembly Bill (AB) 811 was signed into law on July 21, 2008, and AB 474, effective January 1, 2010, amended Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") and authorizes a legislative body to designate an area within which authorized public officials and free and willing property owners may enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, and/or water conservation improvements that are permanently fixed to real property, as specified.

Since 2011, the HERO Program has helped more than 76,000 property owners make more than \$1.82 billion in improvements to their homes which reduce energy and water consumption, saving homeowners over \$3 billion in estimated future utility costs and more than 5.9 billion gallons of water. Adopted in over 430 California communities, more than 15,400 local jobs have been created as a result of HERO.

Because of its success, the California HERO Program was developed as a turnkey program to save other

California jurisdictions time and resources in developing a standalone program. Jurisdictions only need to adopt the form of resolution accompanying this summary and approve an amendment to the joint exercise of powers agreement related to the California HERO Program attached to such resolution to begin the process.

Summary of Request:

The California HERO Program is being offered to allow property owners in participating cities and counties to finance renewable energy, energy and water efficiency improvements and electric vehicle charging infrastructure on their property. If a property owner chooses to participate, the improvements to be installed on such owner's property will be financed by the issuance of bonds by a joint power authority, Western Riverside Council of Governments ("WRCOG"), secured by a voluntary contractual assessment levied on such owner's property. Participation in the program is 100% voluntary. Property owners who wish to participate in the program agree to repay the money through the voluntary contractual assessment collected together with their property taxes.

The benefits to the property owner include:

- **Eligibility:** In today's economic environment, alternatives for property owners to finance renewable energy/energy efficiency/water efficiency improvements or electric vehicle charging infrastructure may not be available. As such many property owners do not have options available to them to lower their utility bills.
- **Savings:** Energy prices continue to rise and selecting in energy efficient, water efficient and renewable energy models lower utility bills.
- **100% voluntary.** Property owners can choose to participate in the program at their discretion.
- **Payment obligation stays with the property.** Under Chapter 29, a voluntary contractual assessment stays with the property upon transfer of ownership. Even if there were private enterprise alternatives, most private loans are due on sale of the benefited property, which makes it difficult for property owners to match the life of the repayment obligation with the useful life of the financed improvements. Certain mortgage providers will, however, require the assessment be paid off at the time the property is refinanced or sold.
- **Prepayment option.** No prepayment penalties.
- **Customer oriented program.** Part of the success of the program is the prompt customer service.

The benefits to the County include:

- Increase local jobs.
- An increase in property values (higher efficient homes are worth more money).
- An increase in sales, payroll and property tax revenue
- As in conventional assessment financing, the County is not obligated to repay the bonds or to pay the assessments levied on the participating properties.
- All California HERO Program and assessment administration, bond issuance and bond administration functions are handled by California HERO. Little, if any, County staff time is needed to participate in the California HERO Program.
- The County can provide access for its residents to the California HERO Program without the higher staff costs that an independent program established by the County would require.

The proposed resolution enables the California HERO Program to be available to owners of property within our County to finance renewable energy, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure. The resolution approves an Amendment to the WRCOG Joint Powers Agreement to add the County as an Associate Member in order that the California HERO Program may be offered to the owners of property located within the County who wish to participate in the California HERO Program.

Alternative Action/Motion:

Do not adopt the Resolution and approve the amendment to the joint powers agreement and provide staff further direction.

Supplemental Information Available Online at: N/A

Fiscal Impact:

Source of Funding: N/A

Budgeted in Current F/Y: N/A

Current F/Y Cost: N/A

Annual Recurring Cost: N/A

Supervisory District: All

Vote Requirement: Majority

Agreement/Resolution/Ordinance Approved by County Counsel: Yes

CEO Liaison: Alan D. Flora, Assistant CEO

CEO Review: Yes

Comments: