



Western Riverside Council of Governments Administration & Finance Committee

AGENDA

**Wednesday, June 12, 2024
12:00 PM**

**Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501**

Committee members are asked to attend this meeting in person unless remote accommodations have previously been requested and noted on the agenda. The below Zoom link is provided for the convenience of members of the public, presenters, and support staff.

[Public Zoom Link](#)

**Meeting ID: 893 5384 2874
Passcode: 724783
Dial in: 669 444 9171 U.S.**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Administration & Finance Committee meeting, please contact WRCOG at (951) 405-6706. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 3390 University Avenue, Suite 200, Riverside, CA, 92501.

In addition to commenting at the Committee meeting, members of the public may also submit written comments before or during the meeting, prior to the close of public comment to lfelix@wrcog.us.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Lucy Felix at least 72 hours prior to the meeting at (951) 405-6706 or lfelix@wrcog.us. Later requests will be accommodated to the extent feasible.

The Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

1. CALL TO ORDER (Chris Barajas, Chair)

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PUBLIC COMMENTS

At this time members of the public can address the Committee regarding any items within the subject matter jurisdiction of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

5. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

A. Action Minutes from the May 8, 2024, Administration & Finance Committee Meeting

Requested Action(s): 1. Approve the Action Minutes from the May 8, 2024, Administration & Finance Committee meeting.

B. Approval of Administration & Finance Committee Meeting Schedule for 2025

Requested Action(s): 1. Approve the schedule of Administration & Finance Committee meetings for 2025.

6. REPORTS / DISCUSSION

Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion.

A. Discussion Regarding Criteria for Adding Additional Agencies to WRCOG

Requested Action(s): 1. Discuss whether or not new agencies should be included in the WRCOG Governance structure and provide direction to the Executive Director related to any criteria or process desired to carry out the Committee's policy decision.

B. Modification of Program Reports Related to the Direct Capital Providers Program

Requested Action(s): 1. Recommend that the Executive Committee adopt Resolution Number 23-24, A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the amendment of the Program Reports for the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program to allow for the financing of certain commercial programs with a transaction size of less than two million dollars in connection with WRCOG's Direct Capital Providers

Program.

7. REPORT FROM THE COMMITTEE CHAIR

Chris Barajas, City of Jurupa Valley

8. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson

9. ITEMS FOR FUTURE AGENDAS

Members are invited to suggest additional items to be brought forward for discussion at future Committee meetings.

10. GENERAL ANNOUNCEMENTS

Members are invited to announce items / activities which may be of general interest to the Committee.

11. NEXT MEETING

The Administration & Finance Committee is dark for the month of July. The next Administration & Finance Committee meeting is scheduled for Wednesday, August 14, 2024, at 12:00 p.m., in WRCOG's office at 3390 University Avenue, Suite 200, Riverside.

12. ADJOURNMENT

Administration & Finance Committee

Action Minutes

1. CALL TO ORDER

The meeting of the WRCOG Administration & Finance Committee was called to order by Chair Chris Barajas at 12:00 p.m. on May 8, 2024, in WRCOG's office.

2. PLEDGE OF ALLEGIANCE

Chair Barajas led the Committee members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Corona - Jacque Casillas
- City of Eastvale - Christian Dinco
- City of Jurupa Valley - Chris Barajas (Chair)
- City of Norco - Kevin Bash
- City of Perris - Rita Rogers
- City of San Jacinto - Crystal Ruiz
- City of Wildomar - Joseph Morabito
- County, District 2 - Karen Spiegel
- County, District 3 - Chuck Washington

Absent:

- City of Lake Elsinore
- Western Water

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR

RESULT:	APPROVED AS RECOMMENDED
MOVER:	San Jacinto
SECONDER:	Corona
AYES:	Corona, Eastvale, Jurupa Valley, Norco, Perris, San Jacinto, Wildomar, District 2, District 3

A. Action Minutes from the April 10, 2024, Administration & Finance Committee Meeting

Action:

1. Approved the Action Minutes from the April 10, 2024, Administration & Finance Committee meeting.

B. Fiscal Department Activities Update

Action:

1. Received and filed.

6. REPORTS / DISCUSSION

A. Update Regarding Implementation of WRCOG Guidelines and Framework for New Program Initiatives

Action:

1. Received and filed.

B. Update of WRCOG Committee Procedures

RESULT:	APPROVED AS RECOMMENDED
MOVER:	San Jacinto
SECONDER:	Corona
AYES:	Corona, Eastvale, Jurupa Valley, Norco, Perris, San Jacinto, Wildomar, District 2, District 3

Action:

1. Recommended that the Executive Committee approve the updated Committee Procedures for the Planning Directors Committee, the Public Works Committee, the Solid Waste Committee, and the Finance Directors Committee.

7. REPORT FROM THE COMMITTEE CHAIR

Chair Barajas had nothing to report.

8. REPORT FROM THE EXECUTIVE DIRECTOR

Dr. Kurt Wilson reported that WRCOG membership requirements are being reviewed by an Ad-Hoc Committee. He also reminded the Committee that the General Assembly event is 43 days away.

9. ITEMS FOR FUTURE AGENDAS

Committee member Kevin Bash asked to communicate with the water districts regarding RHNA to ensure there is enough water for new housing developments.

10. GENERAL ANNOUNCEMENTS

There were no general announcements.

11. NEXT MEETING

The next Administration & Finance Committee meeting is scheduled for Wednesday, June 12, 2024, at 12:00 p.m., in WRCOG's office.

12. CLOSED SESSION

There were no reportable actions.

13. ADJOURNMENT

The meeting was adjourned at 1:42 p.m.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Approval of Administration & Finance Committee Meeting Schedule for 2025
Contact: Chris Gray, Deputy Executive Director, cgray@wrcog.us, (951) 405-6710
Date: June 12, 2024

Recommended Action(s):

1. Approve the schedule of Administration & Finance Committee meetings for 2025.

Summary:

All Administration & Finance Committee meeting dates are proposed for the 2nd Wednesday, monthly, at 12:00 p.m.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to approve the schedule of Administration & Finance Committee meetings for 2025. This aligns with WRCOG's 2022-2027 Strategic Plan Goal #4 (Communicate proactively about the role and activities of the Council of Governments).

Discussion:

Following are the proposed 2025 meeting dates for the Administration & Finance Committee.

Committee	Day	Time	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Administration & Finance	2nd Wed.	12:00 p.m.	DARK	12	12	9	14	11	DARK	13	10	8	12	10

Prior Action(s):

None.

Financial Summary:

This item is for informational purposes only; therefore there is no fiscal impact.

Attachment(s):

None.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Discussion Regarding Criteria for Adding Additional Agencies to WRCOG
Contact: Dr. Kurt Wilson, Executive Director, kwilson@wrcog.us, (951) 405-6701
Date: June 12, 2024

Recommended Action(s):

1. Discuss whether or not new agencies should be included in the WRCOG Governance structure and provide direction to the Executive Director related to any criteria or process desired to carry out the Committee's policy decision.
-

Summary:

This item is intended to facilitate a discussion about the WRCOG governance structure and whether or not additional agencies should be included.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to discuss the potential of adding other agencies to WRCOG. This item aligns with WRCOG's 2022-2027 Strategic Plan Goal #4 (Communicate proactively about the role and activities of the Council of Governments).

Discussion:

Background

Periodically, other public agencies from within our subregion have inquired about their ability to join WRCOG. Currently, there is no formal process for evaluating such a request. A priority of Chair Barajas was to establish a set of criteria for evaluating such requests in order to maximize the value each member provides and receives by being part of WRCOG.

Present Situation

Chair Barajas established an Ad Hoc Committee consisting of Brian Tisdale, Brenda Dennstedt, and Jacque Casillas. The Ad Hoc Committee met on multiple occasions, reviewed the history of membership within WRCOG and the status of membership for other Councils of Government. After reviewing the information and discussing the merits of new members, the Ad Hoc Committee recommended the item be brought to the A&F Committee for further discussion.

If a recommendation emerges from this Committee, it would be forwarded to the Executive Committee for final approval. Depending on the nature of any recommendation, an additional step would be a legal analysis to determine the conformity with any applicable laws or procedures including the WRCOG JPA and Bylaws.

Prior Action(s):

None.

Financial Summary:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

None.



Western Riverside Council of Governments Administration & Finance Committee

Staff Report

Subject: Modification of Program Reports Related to the Direct Capital Providers Program

Contact: Casey Dailey, Director of Energy & Environmental Programs, cdailey@wrcog.us, (951) 405-6720

Date: June 12, 2024

Recommended Action(s):

1. Recommend that the Executive Committee adopt Resolution Number 23-24, A Resolution of the Executive Committee of the Western Riverside Council of Governments Authorizing the amendment of the Program Reports for the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program to allow for the financing of certain commercial programs with a transaction size of less than two million dollars in connection with WRCOG's Direct Capital Providers Program.

Summary:

WRCOG's Commercial Property Assessed Clean Energy (C-PACE) Program offers financing for energy efficiency, water conservation, seismic strengthening, and electric vehicle charging improvements. On March 4, 2024, the Executive Committee approved adding Direct Capital Providers and additional C-PACE administrators to enhance fiscal sustainability and meet the community need for financing transactions under \$2M.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to approve a resolution authorizing an amendment to the Program Reports related to Direct Capital Providers. The effort aligns with WRCOG's 2022-2027 Strategic Goal Plan #5 (To develop projects and programs that improve infrastructure and sustainable development in our region).

Discussion:

Background

PACE Programs are authorized by several states to offer property-based financing assistance to residential and/or commercial property owners seeking to implement energy savings, renewable energy, water conservation, new construction, electric vehicle charging stations, and seismic strengthening improvements. For both residential and commercial projects, improvements installed utilizing PACE financing are secured by placing a lien on the underlying property and are paid back through a line-item

charge on the secured property tax bill. The State of California began authorizing PACE financing in 2008 and is currently one of 37 states to authorize this type of financing for commercial projects, and one of only three states offering the program for residential projects. WRCOG began offering PACE financing for local residential and commercial projects in 2011. In 2014, the WRCOG Program offerings expanded beyond the WRCOG boundaries to include much of the state - 384 of the 482 cities and 35 of the 58 counties. This was accomplished by enrolling the extra-territorial jurisdictions as Associate Members of WRCOG. The residential program was closed to new participants in 2021 at the direction of the Executive Committee; however, the commercial program remains active and the Associate Member designations also remain active.

C-PACE operates in partnership with third party providers who provide C-PACE Program design and administrative services that include setting and adhering to processes and procedures established by WRCOG to review eligibility of potential improvements, marketing the program, approving property owner applications, providing origination services related to financing eligible C-PACE improvements, and developing of a standard set of documents documenting the legal requirements of the transaction. Until recently, this partner list included Nuveen Green Capital (formerly Greenworks Lending), CleanFund, and Twain Financial Partners Holding. Two of the three partners are no longer originating PACE loans. As a result, there is currently only one provider (Nuveen Green Capital) partnering with WRCOG for C-PACE projects.

Present Situation

On March 4, 2024, the Executive Committee authorized the addition of Direct Capital Providers and additional C-PACE administrators. In its approval, the Executive Committee established certain criteria in the Program Reports for each of the Programs, which provided parameters for each financing under the Capital Provider Program. One such criteria which was established was a minimum transaction limit of \$2M.

In implementing the expansion of the C-PACE Program to capital providers, WRCOG staff has determined that there is a community and market need to provide financing to commercial property owners for transactions under \$2M.

Staff recommends that the Executive Committee authorize the Executive Director, or his designees, to evaluate and approve the financing of projects under \$M for approval, on a case-by-case basis, through an amendment of the Program Report.

Prior Action(s):

March 4, 2024: The Executive Committee adopted a resolution authorizing WRCOG to issue and directly place bonds to finance eligible improvements to be installed on commercial properties located within the boundaries of both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program with certain capital providers, and in connection with such authorization, approving amendments to the Program Report for such programs, Assessment Contract, Master Indenture, Master Fiscal Agent Agreement and Master Bond Purchase Agreement, and authorizing the issuance of bonds pursuant to such Master Indenture or Master Fiscal Agent Agreement secured by assessments levied on commercial properties to finance the installation of eligible improvements on such commercial properties and approving other actions in connection thereto and approve amendments to the Program Reports to include Direct Capital Provider.

December 13, 2023: The Administration & Finance Committee recommended that the Executive Committee direct the Executive Director to develop a resolution authorizing WRCOG to issue and directly place bonds to finance eligible improvements to be installed on commercial properties located within the boundaries of both the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program with certain capital providers, and in connection with such authorization, approving amendments to the Program Report for such programs, Assessment Contract, Master Indenture, Master Fiscal Agent Agreement and Master Bond Purchase Agreement, and authorizing the issuance of bonds pursuant to such Master Indenture or Master Fiscal Agent Agreement secured by assessments levied on commercial properties to finance the installation of eligible improvements on such commercial properties and approving other actions in connection thereto and approve amendments to the Program Reports to include Direct Capital Provider.

Financial Summary:

Activities related to the Commercial PACE Program are included in the Agency's adopted Fiscal Year 2023/2024 Budget under the General Fund (Fund 110).

Attachment(s):

[Attachment 1 - Resolution No. 23-24 WRCOG Resolution Authorizing the Amendment of DCP CPACE](#)

Attachment

Resolution Number 23-24; A Resolution of the Executive Committee of the Western Riverside Council of Governments authorizing the Amendment of the Program Reports for the WRCOG Energy Efficiency and Water Conservation Program for Western Riverside County and the California HERO Program to allow for the financing of certain Commercial Projects with a transaction size of less than two million dollars in connection with WRCOG's Direct Capital Providers Provider

RESOLUTION NUMBER 23-24

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AUTHORIZING THE AMENDMENT OF THE PROGRAM REPORTS FOR THE WRCOG ENERGY EFFICIENCY AND WATER CONSERVATION PROGRAM FOR WESTERN RIVERSIDE COUNTY AND THE CALIFORNIA HERO PROGRAM TO ALLOW FOR THE FINANCING OF CERTAIN COMMERCIAL PROJECTS WITH A TRANSACTION SIZE LESS THAN TWO MILLION DOLLARS IN CONNECTION WITH WRCOG'S DIRECT CAPITAL PROVIDERS PROGRAM

WHEREAS, acting under the provisions of Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29"), the Executive Committee has established the Energy Efficiency and Water Conservation Program for Western Riverside County (the "WRCOG Program") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential or commercial real property located within the County of Riverside and the cities within the western portion of the County of Riverside that have elected to participate in the WRCOG Program (the "WRCOG Program Area") to finance the installation of distributed generation renewable energy sources, energy and water efficiency improvements, seismic improvements and electric vehicle charging infrastructure (the "Eligible Improvements"); and

WHEREAS, acting under Chapter 29, WRCOG has also established the California HERO Program (the "California Program" and, together with the WRCOG Program, the "Programs") pursuant to which WRCOG is authorized to enter into contractual assessments with the owners of residential and commercial real property located within cities and counties located outside of the western portion of the County of Riverside that have elected to become associate members of WRCOG (the "California Program Area" and, together with the WRCOG Program Area, the "Program Area") and to participate in the California Program to finance the installation of Authorized Improvements; and

WHEREAS, WRCOG is authorized to issue limited obligation improvement bonds pursuant to Section 5898.22 and Section 5898.28 of Chapter 29 and the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code (the "Bond Act"), to finance the installation of Authorized Improvements that are permanently fixed to residential or commercial real property located within the Program Area; and

WHEREAS, since the establishment of the Programs the administration and financing of the Eligible Improvements on commercial properties ("Commercial Properties") located within the Program Areas has been accomplished by program administrators; and

WHEREAS, on March 4, 2024, the Executive Committee determined that it would be in the best interests of the Programs and the owners of Commercial Properties within the Program Area to enable WRCOG to administer and finance Eligible Improvements by selling bonds directly to capital providers (the “Capital Provider Program”) that meet certain requirements as set forth in the Program Reports for each Program Area (the “Program Reports”) and approved by the Executive Director of WRCOG or his designee (the “Authorized Representative”); and

WHEREAS, one criteria established in the Program Reports for the Capital Provider Program was a minimum transaction size for any financing of \$2 million; and

WHEREAS, the Executive Committee believes that there is benefit to the property owners within the jurisdiction of the Programs to offer PACE financing to commercial property owners who have transaction sizes under \$2 million; and

WHEREAS, the Executive Committee now desires to amend the Program Reports to grant to the Executive Director, and his assignees, the authority to approve PACE financing with a transaction size under the \$2 million on a case by case basis; and

WHEREAS, this Executive Committee, with the aid of its staff and counsel, has reviewed the documents identified in the preceding recitals and found them to be in proper order.

NOW, THEREFORE, BE IT RESOLVED, by the Executive Committee of the Western Riverside Council of Governments as follows:

Section 1. Approval of Amended Program Reports. The Executive Committee hereby approves the amendments to the Program Reports presented at this meeting (Exhibits A and B). The Authorized Representatives are hereby authorized to take all actions necessary to implement such changes.

PASSED AND ADOPTED at a meeting of the Executive Committee of the Western Riverside Council of Governments held on June 21, 2024.

Rita Rogers, Chair
WRCOG Executive Committee

Dr. Kurt Wilson, Secretary
WRCOG Executive Committee

Approved as to form:

Best Best & Krieger, LLP
WRCOG Bond Counsel

AYES: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

EXHIBIT A

**ENERGY EFFICIENCY AND WATER
CONSERVATION PROGRAM FOR
WESTERN RIVERSIDE COUNTY
ADMINISTRATIVE GUIDELINES AND
PROGRAM REPORT AMENDED
JUNE 21, 2024**

[ATTACHED]

ENERGY EFFICIENCY
AND
WATER CONSERVATION PROGRAM
FOR
WESTERN RIVERSIDE COUNTY



ADMINISTRATIVE GUIDELINES
AND
PROGRAM REPORT

ADOPTED: JUNE 7, 2010 – AMENDED JANUARY 12, 2011 – AMENDED JUNE 6, 2011
AMENDED JULY 29, 2011 – AMENDED: SEPTEMBER 12, 2011 – REVISED OCTOBER 7, 2011
REVISED OCTOBER 11, 2011 – REVISED JUNE 3, 2013 – REVISED FEBRUARY 3, 2014
AMENDED JUNE 9, 2014 – AMENDED AUGUST 4, 2014 – AMENDED OCTOBER 6, 2014 –
REVISED NOVEMBER 4, 2014— AMENDED DECEMBER 1, 2014 – REVISED APRIL 4, 2016
REVISED – JUNE 6, 2016 – AMENDED SEPTEMBER 12, 2016 – REVISED MARCH 6, 2017 –
AMENDED MARCH 7, 2017 – REVISED APRIL 3, 2017 – AMENDED APRIL 4, 2017 – REVISED
JULY 11, 2017– REVISED OCTOBER 2, 2017 – REVISED APRIL 2, 2018 – JUNE 4, 2018 –
REVISED AUGUST 6, 2018- REVISED APRIL 1, 2019 – REVISED JUNE 3, 2019
REVISED AUGUST 1, 2019 – AMENDED MARCH 4, 2024 – AMENDED JUNE 21, 2024



Prepared By:
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PROGRAM REQUIREMENTS FOR PARTICIPATION IN WRCOG'S DIRECT CAPITAL PROVIDER COMMERCIAL FINANCING FOR COMMERCIAL PROPERTIES

If financing is provided for the Program by Capital Providers for commercial properties, the following eligibility requirements will apply:

A. ELIGIBLE PROPERTY OWNERS AND ELIGIBLE PROPERTIES

Capital Providers providing commercial financing is available for commercial property owners and will finance alternative energy systems, energy efficiency, water conservation, fire hardening and seismic strengthening improvements, using financing provided by qualifying Capital Providers financing.

Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner of Commercial property for which real property taxes are paid or assessments may otherwise be collected on the property tax bill. New construction of eligible properties are subject to additional underwriting and technical requirements. Certain eligibility criteria must be satisfied, and financing may be approved only if all of the following criteria are met:

- No program administration agreement with WRCOG
- WRCOG would be the issuer of bonds
- Minimum of \$10M in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent
- Minimum transaction size of \$2M, unless otherwise approved by the Executive Director or designee
- Ability to manage delinquency of assessments
- Capital Provider agrees that the finance team must include WRCOG selected assessment administrator and bond counsel, and fiscal agent / trustee to be determined upon mutual agreement between Capital Provider and WRCOG selected bond counsel
- Minimum 2 years of C-PACE and 10 years of commercial banking experience
- Federally regulated bank or financial institution
- All projects must, at a minimum, meet the following requirements, unless expressly waived by authorized personnel of WRCOG:
 - Applicant must be the property owner of record
 - Property Owner must be current on the payment of special taxes and not have had any major delinquencies for the past three years
 - No bankruptcy of property owner or affiliated companies for seven years
 - No liens except mortgage debt for which lender consent has been obtained, except liens of community facilities district and assessments district
 - Must finance or refinance products improvements authorized under program report
 - Total effective tax rate not to exceed 5%
 - Value to Lien requirement 95% (includes PACE plus existing debt)
 - Energy savings report (if applicable)

Refinancing:

- Authorized to refinance existing debt or cash financed-eligible improvements
- Improvements installed three years prior to date of application of PACE refinancing
- Useful life of improvements is equal to or greater than the term of the PACE refinancing
- Compliance with parameters established for commercial program in Program Report

EXHIBIT B

**CALIFORNIA HERO PROGRAM
REORT AMENDED JUNE 21, 2024**

[ATTACHED]



PROGRAM REPORT

CITIES/TOWNS OF ALAMEDA, ALBANY, ALHAMBRA, ALISO VIEJO, AMADOR, AMERICAN CANYON, ANAHEIM, ANTIOCH, ARCADIA, ARCATA, ARVIN, ATHERTON, ATWATER, AVALON (COMMERCIAL ONLY), AVENAL, AZUSA BAKERSFIELD, BALDWIN PARK, BEAUMONT, BELL GARDENS (COMMERCIAL ONLY), BELLFLOWER, BELMONT, BELVEDERE, BENICIA, BERKLEY, BISHOP, BLUE LAKE, BLYTHE, BRADBURY, BRAWLEY, BREA, BRENTWOOD, BRISBANE, BUENA PARK, BURLINGAME, CALABASAS (COMMERCIAL ONLY), CALEXICO, CALIFORNIA CITY, CALIPATRIA, CALISTOGA, CAMARILLO, CAMPBELL, CAPITOLA, CARLSBAD, CARMEL, CARSON, CATHEDRAL CITY, CERES, CHICO, CHOWCHILLA, CHULA VISTA, CITRUS HEIGHTS, CLAREMONT, CLAYTON, CLOVERDALE, CLOVIS, COACHELLA, COALINGA, COLMA, COMMERCE, CONCORD, CORCORAN, CORNING, CORONADO, COSTA MESA, COTATI, COVINA, CRESCENT CITY, CUPERTINO, CYPRESS, DALY CITY, DANVILLE, DAVIS, DEL MAR, DEL REY OAKS, DELANO, DESERT HOT SPRINGS, DIAMOND BAR, DINUBA, DIXON, DORRIS, DOS PALOS, DUBLIN, DUNSMUIR, EL CAJON, EL CENTRO, EL CERRITO, EL MONTE, EL SEGUNDO, ELK GROVE, ENCINITAS, ESCONDIDO, ETNA, EUREKA, EXETER, FAIRFAX, FAIRFIELD, FARMERSVILLE, FERNDALE, FILLMORE, FIREBAUGH, FORT BRAGG, FORTUNA, FOSTER, FOUNTAIN VALLEY, FOWLER, FREMONT, FRESNO, GALT, GARDEN GROVE, GARDENA, GILROY, GLENDORA, GONZALES, GRASS VALLEY, GREENFIELD, GROVER BEACH, GUSTINE, HALF MOON BAY, HANFORD, HAWTHORNE, HAYWARD, HEALDSBURG, HERMOSA BEACH, HILLSBOROUGH, HOLTVILLE, HUGHSON, HUNTINGTON BEACH, HURON, IMPERIAL BEACH, IMPERIAL, INDIAN WELLS, INDIO, INDUSTRY, INGLEWOOD, IONE, IRWINDALE, ISLETON, JACKSON, KERMAN, KING CITY, KINGSBURG, LA CANADA FLINTRIDGE, LA HABRA, LA MESA, LA PALMA, LA QUINTA, LA VERNE, LAFAYETTE, LAGUNA BEACH, LAGUNA HILLS, LAKE FOREST, LANCASTER, LARKSPUR, LATHROP, LAWDALE, LEMON GROVE, LEMOORE, LINDSAY, LIVE OAK, LIVINGSTON, LODI, LOMITA, LOMPOC, LONG BEACH (COMMERCIAL ONLY), LOS BANOS, LOYALTON, MADERA, MALIBU, MAMMOTH LAKES, MANTECA, MARTINEZ, MARYSVILLE, MCFARLAND, MENDOTA, MENLO PARK, MERCED, MILL VALLEY, MILLBRAE, MILPITAS, MISSION VIEJO, MODESTO, MONROVIA, MONTEBELLO, MONTEREY PARK, MONTEREY, MOORPARK, MORAGA, MORGAN HILL, MORRO BAY, MOUNT SHASTA, MOUNTAIN VIEW, NAPA, NATIONAL CITY, NEVADA CITY, NEWARK, NEWMAN, NEWPORT BEACH, NOVATO, OAKDALE, OAKLAND, OAKLEY, OCEANSIDE, OJAI, ORANGE COVE, ORLAND, OROVILLE, OXNARD, PACIFIC GROVE, PACIFICA, PALM DESERT, PALM SPRINGS, PALMDALE, PARADISE, PARLIER, PASO ROBLES, PATTERSON, PETALUMA, PIEDMONT, PINOLE, PITTSBURG, PLACENTIA, PLACERVILLE, PLEASANT HILL, PLEASANTON, PLYMOUTH, POINT ARENA, POMONA, PORT HUENEME, PORTERVILLE, PORTOLA VALLEY, POWAY, RANCHO CORDOVA, RANCHO MIRAGE, RANCHO PALOS VERDES, RANCHO SANTA MARGARITA, REDDING, REDONDO BEACH, REDWOOD CITY, REEDLEY, RICHMOND, RIDGECREST, RIO VISTA, RIPON, RIVERBANK, ROHNERT PARK, ROLLING HILLS ESTATES,

ROLLING HILLS, ROSEMEAD, SACRAMENTO, SALINAS, SAN ANSELMO, SAN BRUNO, SAN BUENAVENTURA, SAN CARLOS, SAN CLEMENTE, SAN DIEGO, SAN DIMAS, SAN FERNANDO, SAN GABRIEL, SAN JOAQUIN, SAN JOSE, SAN JUAN BAUTISTA, SAN LEANDRO, SAN LUIS OBISPO, SAN MARCOS, SAN MARINO, SAN MATEO, SAN PABLO, SAN RAFAEL, SAN RAMON, SAND CITY, SANGER, SANTA ANA, SANTA BARBARA, SANTA CLARA, SANTA CRUZ, SANTA MONICA, SANTA PAULA, SANTA ROSA, SANTEE, SAUSALITO, SCOTTS VALLEY, SEASIDE, SEBASTOPOL, SELMA, SHAFTER, SHASTA LAKE, SIERRA MADRE, SIMI VALLEY, SOLANA BEACH, SONOMA, SOUTH EL MONTE, SOUTH LAKE TAHOE, SOUTH PASADENA, SOUTH SAN FRANCISCO, ST. HELENA, STANTON, STOCKTON, SUISUN CITY, SUSANVILLE, SUTTER CREEK, TAFT, TEHACHAPI, TEHAMA, T_{EMPLE} CITY, THOUSAND OAKS, TIBURON, TORRANCE, TRACY, TRINIDAD, TRUCKEE, TULARE, TURLOCK, TUSTIN, UKIAH, UNION CITY, VACAVILLE, VALLEJO, VISALIA, VISTA, WALNUT, WALNUT CREEK, WASCO, WATERFORD, WATSONVILLE, WEED, WEST COVINA, WEST SACRAMENTO, WESTMINSTER, WHEATLAND, CITY OF WINDSOR, AND, WINTERS, WOODLAKE, WOODLAND, WOODSIDE, YORBA LINDA, YOUNTVILLE, YREKA, AND YUBA. THE UNINCORPORATED COUNTIES OF ALAMEDA, AMADOR, BUTTE, COLUSA, CONTRA COSTA, DEL NORTE, EL DORADO, FRESNO, GLENN, HUMBOLDT, IMPERIAL, KERN, KINGS, MADERA, MARIN, MARIPOSA, MENDOCINO, MERCED, MONO, MONTEREY, NAPA, NEVADA, RIVERSIDE, SACRAMENTO, SAN DIEGO, SAN FRANCISCO, SAN JOAQUIN, SAN LUIS OBISPO, SAN MATEO, SANTA CRUZ, SHASTA, SISKIYOU, SOLANO, SONOMA, TEHAMA, TULARE, YOLO, AND YUBA.

ADOPTED JUNE 3, 2013 - REVISED JULY 15, 2013 - REVISED AUGUST 5, 2013 - REVISED SEPTEMBER 9, 2013 – REVISED NOVEMBER 4, 2013 - REVISED DECEMBER 2, 2013 - REVISED JANUARY 6, 2014 - REVISED FEBRUARY 3, 2014 - REVISED MARCH 3, 2014 - REVISED APRIL 7, 2014 - REVISED MAY 5, 2014 - REVISED JUNE 2, 2014 – AMENDED JUNE 9, 2014 - REVISED JULY 7, 2014 – REVISED AUGUST 4, 2014 – REVISED SEPTEMBER 8, 2014 – REVISED OCTOBER 6, 2014 - REVISED NOVEMBER 3, 2014 - REVISED DECEMBER 1, 2014 – REVISED JANUARY 5, 2015 - REVISED FEBRUARY 2, 2015 - REVISED MARCH 2, 2015 - REVISED APRIL 6, 2015 – REVISED MAY 4, 2015 – REVISED JUNE 1, 2015 – REVISED JULY 6, 2015 – REVISED AUGUST 3, 2015 – REVISED SEPTEMBER 14, 2015 – REVISED OCTOBER 5, 2015 – REVISED NOVEMBER 2, 2015 – REVISED DECEMBER 7, 2015 – REVISED JANUARY 4, 2016 – REVISED FEBRUARY 1, 2016 – REVISED MARCH 7, 2016 – REVISED APRIL 4, 2016 – REVISED MAY 2, 2016 – REVISED JUNE 6, 2016 – REVISED JULY 11, 2016 – REVISED AUGUST 1, 2016 – REVISED DECEMBER 5, 2016 – REVISED JANUARY 9, 2017 – REVISED APRIL 3, 2017 – REVISED JUNE 5, 2017– REVISED JULY 10, 2017 – REVISED AUGUST 7, 2017 – REVISED SEPTEMBER 11, 2017— REVISED OCTOBER 2, 2017— REVISED DECEMBER 4, 2017 – REVISED FEBRUARY 5, 2018 – REVISED APRIL 2, 2018 – REVISED JULY 2, 2018 - REVISED MARCH 4, 2019 – REVISED MARCH 22, 2019 – REVISED APRIL 1, 2019 - REVISED MAY 6, 2019 - AMENDED JUNE 3, 2019 - REVISED JULY 1, 2019 – AMENDED DECEMBER 2, 2019 – AMENDED MARCH 4, 2024 – AMENDED JUNE 21, 2024

to finance the installation of Eligible Products on participating properties and encourage the future liquidity of the Program.

PROPERTY ASSESSMENT LIEN

All property owners must sign⁷ and return the Assessment Contract within the time period specified in the notice of approval of a property owner's application. Upon completion of the project and execution of the Assessment Contract, the Agent will place a lien for the full amount of the contractual assessment on the property that secures such assessment. If the lien is recorded before the first business day in July, the assessment installment will appear on the next tax bill. For liens recorded after the first business day of July, the assessment installment will not appear on the tax bill until the following tax year, but interest will accrue on the outstanding balance. A direct bill and/or additional tax bill or other method of payment (including capitalized interest) may be required, as determined by the Program, during the first tax year.

DELINQUENT ASSESSMENT COLLECTIONS

In general, it is expected that assessment installments will be collected on the *ad valorem* tax bills sent to property owners by the Treasurer-Tax Collector of the County in which such owner's property is located, and therefore delinquency information will generally be available from such the Treasurer-Tax Collector's office. In order to attract financing, the Agent will covenant to commence and pursue judicial foreclosure proceedings with respect to parcels that are delinquent in the payment of assessment installments. The precise terms of such a covenant will be determined at the time of bond issuance.

DIRECT CAPITAL PROVIDER

Capital Providers may provide financing for commercial property owners and will finance alternative energy systems, energy efficiency, water conservation, fire hardening and seismic strengthening improvements, using financing provided by such Capital Provider meeting the following minimum requirements and is authorized by the Executive Director of WRCOG:

- Minimum of \$10M in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent
- Capital Provider agrees that the financing team must include WRCOG selected assessment administrator and bond counsel, and fiscal agent / trustee to be determined upon mutual agreement between Capital Provider and WRCOG selected bond counsel
- Minimum 2 years of C-PACE and 10 years of commercial banking experience
- Federally regulated bank or financial institution

Property owners may be individuals, associations, business entities, cooperatives, and any owner of Commercial property for which real property taxes are paid or

assessments may otherwise be collected on the property tax bill. New construction of eligible properties are subject to additional underwriting and technical requirements.

All projects must, at a minimum, meet the following requirements, unless expressly waived by authorized personnel of WRCOG:

- Applicant must be the property owner of record
- Property Owner must be current on the payment of special taxes and not have had any major delinquencies for the past three years
- No bankruptcy of property owner or affiliated companies for seven years
- No liens except mortgage debt for which lender consent has been obtained, except liens of community facilities district and assessments district
- Must finance or refinance products improvements authorized under program report
- Total effective tax rate not to exceed 5%
- Value to Lien requirement 95% (includes PACE plus existing debt)
- Minimum transaction size of \$2M, unless otherwise approved by the Executive Director or his designee
- Energy savings report (if applicable)

REFINANCING

- Authorized to refinance existing debt or cash financed-eligible improvements
- Improvements installed three years prior to date of application of PACE refinancing
- Useful life of improvements is equal to or greater than the term of the PACE refinancing
- Compliance with parameters established for commercial program in Program Report

THE FINANCIAL STRATEGIES

The Program includes the following financial strategies.

Strategy One: The Program will, at launch, utilize Renovate America to fund installations of Eligible Products for Residential and Commercial properties. Renovate America will provide a revolving credit line to finance the installation of Eligible Products for such Residential and Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in above and in the Residential Handbook. In consideration for funding the installation of such Eligible Products the Agent shall issue and deliver to Renovate America one or more municipal bonds secured by the contractual assessments payable by the Residential and Commercial and to be improved.

Strategy Two: The Program will, at launch, utilize the Twain Financial Partners to fund installations of Eligible Products for Commercial properties, under Twain. Twain Financial Partners will provide a revolving credit line to finance and refinance the installation of Eligible Products to Commercial properties. Property and other eligibility requirements will be determined pursuant to the criteria set forth in above and the Commercial Handbook. In