



DATE: September 15, 2015

CATEGORY: Consent

DEPT.: City Attorney's Office

TITLE: **Home Energy Renovation Opportunity (HERO) Program**

RECOMMENDATION

Adopt a Resolution Consenting to the Inclusion of Properties Within the City's Jurisdiction in the California Home Energy Renovation Opportunity (HERO) Program to Finance Distributed Generation Renewable Energy Sources, Energy- and Water-Efficiency Improvements, Electric Vehicle Charging Infrastructure, and Approving the Amendment to a Certain Joint Powers Agreement Related Thereto, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

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 California Streets and Highways Code ("Chapter 29") and authorizes a legislative body to designate an area within which authorized public officials and property owners may enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources and energy-efficiency and/or water-conservation improvements that are permanently fixed to real property, as specified. These are called Property Assessed Clean Energy "PACE" programs.

There are multiple programs similar to PACE programs in California, and Mountain View residents and businesses already have access to a PACE program called CaliforniaFIRST. In addition, single- and multi-family property owners in Mountain View can take advantage of rebates and technical assistance for "green" upgrades through Energy Upgrade California.

HERO is another PACE program. Since its launch in late 2011, over \$1.9 billion in applications have been approved and over \$403 million in projects have been funded. The California HERO Program was developed as a turnkey program to save other California jurisdictions time and resources in developing a stand-alone program.

Participating jurisdictions only need to adopt the form of resolution accompanying this Council report 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.

ANALYSIS

The California HERO Program is being proposed in order to allow property owners in participating cities and counties another option 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 percent 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 City can provide access for its residents to the California HERO Program without the higher staff costs that an independent program established by the City would require.

All California HERO Program and assessment administration, bond issuance, and bond administration functions are handled by California HERO. Little, if any, City staff time is needed to participate in the California HERO Program.

Staff will list the HERO Program, as well as the existing CaliforniaFIRST and Energy Upgrade California programs, on our website but does not have the resources currently to proactively market it or answer detailed questions about the program. That will be the responsibility of HERO.

The proposed resolution enables the California HERO Program to be available to owners of property within the City to finance renewable energy, energy- and water-efficiency improvements, and electric vehicle charging infrastructure. If adopted, the resolution would authorize the City to execute an Amendment to the WRCOG Joint Powers Agreement (JPA) to add the City as an Associate Member in order that the California HERO Program may be offered to the owners of property located within the City who wish to participate in the California HERO Program. The City does not incur any liability by doing this. A copy of the JPA and proposed amendment are attached, along with a recent HERO Program Report which describes the HERO Program in detail.

Should there be a desire to implement other similar programs in Mountain View and there is no legal, fiscal, or resource implications, they will be considered.

FISCAL IMPACT

There is no fiscal impact to the City's General Fund incurred by consenting to the inclusion of properties within the City limits in the California HERO Program and no budget adjustment is required. All California HERO Program administrative costs are covered through an initial administrative fee included in the property owner's voluntary contractual assessment and an annual administrative fee which is also collected on the property owner's tax bill.

ALTERNATIVE

1. Do not authorize the City's participation in the California HERO Program.
2. Provide other direction.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This action is not a project under CEQA but rather is an administrative activity that will not directly result in changes to the physical environment.

PUBLIC NOTICING – Agenda posting

Prepared by:

Krishan Chopra
Senior Assistant City Attorney

Approved by:

Jannie L. Quinn
City Attorney

Daniel H. Rich
City Manager

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- Attachments:
1. Resolution
 2. JPA
 3. JPA Amendment
 4. HERO Program Report