

City of La Quinta

CITY COUNCIL MEETING

DEPARTMENT REPORT

TO: The Honorable Mayor and Members of the City Council

FROM: Ted Shove, Business Analyst

DATE: September 15, 2015

SUBJECT: UPDATE ON PACE AND HERO PROGRAM

Currently, Ygrene and California HERO programs are approved providers for the Property Assessed Clean Energy/Home Energy Renovation Opportunity program in La Quinta ('PACE'/HERO' program). Ygrene was approved in May 2013 and HERO in January 2015. The chart below summarizes program totals in La Quinta:

Provider	Number of Projects	Total Funding
Ygrene CV Upgrade	78	\$ 1,219,550
California HERO	5	\$ 83,777

In many California communities, multiple PACE and HERO program providers are authorized through non-exclusive arrangements. These arrangements provide an open marketplace for residents, which are often only differentiated by terms offered.

In August, the City was contacted by representatives from Figtree Financing and Energy Efficient Equity (see Attachments 1 and 2) to solicit interest in authorizing their California-approved PACE program in La Quinta. PACE program providers act as a conduit to financing for energy efficient improvements for commercial and residential property owners. Repayment of improvements is placed on the County property tax rolls and is transferable with ownership until the debt is fully cured.

Staff will investigate each provider further and return to Council with recommendations regarding including Figtree Financing and Energy Efficient Equity as additional PACE program providers in La Quinta.

Attachments: 1. Email Correspondence from Mike Armstrong, Vice President, Relationships for Figtree Financing
 2. Email Correspondence from Taylor Libolt, Municipal Development Director for Energy Efficient Equity

Attachment 1

From: Mike Armstrong [<mailto:marmstrong@figtreefinancing.com>]
Sent: Thursday, July 30, 2015 10:12 AM
To: Council
Subject: Figtree PACE Checking In

Linda,

Just checking in to see if we can move forward with adopting the Figtree PACE program? We have made a lot of progress with our program since we last connected.

Figtree is one of the leading private PACE financing companies operating in the United States today. 120 municipalities throughout California have already joined the Figtree program which is offered through our JPA partner the California Enterprise Development Authority (CEDA). We can offer the program as a complete turn-key PACE solution without cost to your city. Furthermore, Figtree will provide indemnification to the City with its participation.

The Figtree PACE program provides 100% upfront financing to property owners for a wide range of eligible property improvements. Repayment is made through an owner's property taxes statement with flexible repayment terms ranging from 5 to 20 years. Additionally, our residential PACE offering will launch in 2015.

I also wanted to provide a few links where you can find updated information about our program:

- [Figtree City / County Action Plan](#)
- [Documents Needed to Adopt our Program](#)

Could we find time to connect back up in the next few days or weeks? If you are interested in adopting our program I would like to work with you to get everything docketed and approved before our residential launch in a few months. Let me know what works for you.

If you do not wish to learn more about the Figtree PACE Program, please let me know by clicking here, [do not want to receive any more information](#), and I will not contact you further.

Sincerely,

Mike Armstrong

Mike Armstrong
Vice President, Partnerships
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Attachment 2

From: Taylor Libolt [<mailto:taylor@energyefficientequity.com>]

Sent: Monday, August 24, 2015 12:33 PM

To: Council

Subject: CMFA PACE Program

Hi Mayor Evans,

We just launched a PACE program with the California Municipal Finance Authority and would like to offer our financing to property owners in La Quinta. Can you champion an opt-in resolution so we can get started?

Thanks,

Taylor Libolt Director, Municipal Development
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