

AllianceNRG Program™ Answers to Cupertino Sustainability Commission Questions June 16, 2016

The retrofit goals highlighted in our CAP are essential to reaching our GHG goals, yet our current PACE uptake has only resulted in 2 job completions to date. How can adding more PACE providers help us reach our retrofit goals?

As the commercial says, “When banks compete, you win.” The addition of a few more PACE providers can increase competition and can help the City of Cupertino achieve its CAP and GHG goals faster. Additional PACE programs will market to more contractors and more property owners. Also program administrators have different areas of expertise (eg. seismic) and program guidelines (eg. will finance a \$50,000 commercial project versus another program which will only go down to \$100,000).

Is PACE loan tax deductible?

We do not offer tax advice to property owners and encourage property owners to consult with their advisor.

Although we cannot give tax advice, we believe the United States Code is clear:

Title 26, United States Code, section 164(c) Deduction denied in case of certain taxes.

No deduction shall be allowed for the following taxes:

(1) Taxes assessed against local benefits of a kind tending to increase the value of the property assessed; [but this paragraph shall not prevent the deduction of so much of such taxes as is properly allocable to maintenance or interest charges.](#)

An allocation between annual payments of interest and principal is provided at the time of disbursement. If a property owner has any questions, he or she should contact their tax adviser.

How do residents hear about your program?

About 90% of residential property owners learn about PACE assessments through a contractor so most of our consumer marketing and outreach is to contractors and design professionals. We have a growing staff of Contractor Ambassadors whose only job is to reach out and train contractors on the benefits of PACE financing. PACE is new and not fully understood relative to traditional, credit (FICO) based home improvement lending. We currently have 85 Approved Contractors in Santa Clara County who are approved to do business in the City of Cupertino.

The annual admin fee- who pays for this?

The program administrator does not charge an annual fee for its services. However, certain fees and costs of third parties are payable on an annual basis and an annual charge to cover to defray such fees and costs is added to the assessment each year. The AllianceNRG Program retains a portion of the program administration fee charged to property owners at the closing of the assessment. Thus, the

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costs of the Program are paid by those property owners who benefit by use of the Program. The Program is purely voluntary. There is no cost or risk to the City of Cupertino or to Cupertino tax payers.

What is the average project cost?

The average AllianceNRG Program residential installation is \$18,192. The average commercial installation is \$42,779.

Who are your actual target customers, and do they live in our city?

With its population of just over 58,000, the City of Cupertino has many property owners (customers) that can benefit by PACE financing. PACE financing can be used by both residential and commercial property owners for energy upgrades, sustainability improvements, water conservation projects and seismic retrofits.

Because PACE provides 100%, long-term, fixed rate financing that does not rely on the property owner's credit score, it may be one of the few financing alternative some "customers" have. It may be especially valuable to property owners with equity in their homes who do not have high credit scores or small business owners that are currently not being well covered by traditional banks. PACE allows these smaller property owners access to financing without established business credit and credit relationships that larger property owners benefit by.

Explain which seismic upgrades PACE covers, if any, for your program

Our Seismic PACE program covers seismic retrofits for commercial, industrial and multifamily properties of 4 or more units. Seismic retrofits involve a strengthening of existing buildings in order to better protect buildings from collapse during a major earthquake. This includes but is not limited to:

- Indirect (or "soft") costs associated with the project, including engineering design costs, feasibility studies, and soil studies.
- Alteration of existing structural systems to resist earthquake effects, including the addition of new structural components and the replacement of deficient existing structural components
- Alteration of existing non-structural components, including removal or replacement of seismically hazardous components and addition or enhancement of seismic bracing or anchorage.

Presently, we do not offer financing for seismic strengthening improvements to residential properties, new buildings or structures, or repair or damage, including earthquake damage.

Do your current contractors serve Cupertino? If so, how many?

We have a total of 85 eligible contractors that serve Cupertino: 31 seismic engineers and contractors, , and 54 contractors that service energy efficiency, renewable energy and water conservation projects.

Please explain your ongoing contractor training and support.

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Eligible Contractors must complete an orientation and training for our program and must abide by all terms and conditions set forth in the Participation Agreement and in the Program's Registered Professional's Guidebook. Our local program Ambassadors train and provide ongoing support to include:

- Explanation and history of PACE and The AllianceNRG Program

- Program and PACE benefits to owners and contractors
- Property eligibility criteria
- Financing terms and rates
- Contractor registration process and requirements to remain in the program
- The AllianceNRG program web-portal walkthrough
- Online Tools and resources available for our eligible contractors

From: [Aaron Villaraigosa](#)
To: [Misty Mersich](#)
Subject: RE: Invitation to attend Cupertino Sustainability Commission- June 16
Date: Tuesday, June 14, 2016 11:45:33 AM

Hi Misty-

Below, highlighted in yellow, are Figtree's responses to the questions for the meeting Thursday. I will not be in attendance after all but Robert Johnson, Bay Area Business Development Director, will be there to speak to our program.

-
- The retrofit goals highlighted in our CAP are essential to reaching our GHG goals, yet our current PACE uptake has only resulted in 2 job completions to date. How can adding more PACE providers help us reach our retrofit goals?
A) Adding more PACE providers allows for an open marketplace which gives consumers more options to best suit their needs. Each PACE program is different in product offerings, rates and qualifying parameters. Consumers needs range run the gamut and more PACE program providers allowed can aptly serve those loan needs.
- Is PACE loan tax deductible?
A) Figtree suggests that each borrower consult a professional tax advisor about the financial impact of tax credits, tax deductibility and other possible tax benefits that may arise from PACE financing and the selected improvements.
- How do residents hear about your program?
A) Most Figtree PACE borrowers have either heard of the program through a general contractor they are working with or through the a city's website.
- The annual admin fee- who pays for this?
A) The PACE borrower pays the annual administrative fee per their loan contract.
- What is the average project cost?
A) Figtree's current loan average range from \$150k - \$250k.
- Who are your actual target customers, and do they live in our city?
A) Figtree's current target customer base are commercial PACE borrowers with loan amounts from \$5k - \$250k with a specific focus, but not limited to, not for profit organizations.
- Explain which seismic upgrades PACE covers, if any, for your program.
A) Figtree's PACE seismic offerings cover residential, multi-family (3 units or more) soft story buildings and commercial buildings.
- Do your current contractors serve Cupertino? If so, how many?
A) Since the ABAG collaboration was signed earlier this year Figtree has been working to recruit contractors in the Bay Area. We recently hired a Bay Area business development person for those efforts specifically.
- Please explain your ongoing contractor training and support.
A) Figtree's contractors are required to submit liability insurance and all licensing to Figtree prior to on-boarding. As well as Figtree conducts thorough initial PACE training and on-going training annually.

Aaron Villaraigosa

Director of Government Partnerships

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From: Misty Mersich [mailto:MistyM@cupertino.org]

Sent: Tuesday, June 07, 2016 8:40 AM

To: Aaron Villaraigosa

Subject: FW: Invitation to attend Cupertino Sustainability Commission- June 16

Hello Aaron- Forwarding this message onto you. Hope you can send a staff member to join us, or at least provide answers to the questions for our Sustainability Commissioners.

Thanks,

Misty

From: Misty Mersich

Sent: Wednesday, June 01, 2016 6:05 PM

To: 'Emily Goodwin'; 'Jason Overman'; 'lrowell@renovateamerica.com'; 'Moriarity@barcoast.com'; 'Rachel Hobbs'; 'david.schaefer@alliancenrg.com'; 'mshah@figtreecompany.com'; 'bob@pacefunding.com'; 'john@pacefunding.com'

Subject: Invitation to attend Cupertino Sustainability Commission- June 16

Hello PACE Providers,

The Cupertino Sustainability Commission is interested in exploring the possibility of allowing additional PACE providers to serve our city, since you are a PACE provider that has signed onto the ABAG collaborative services agreement, you are invited to attend our next meeting. The meeting is June 16th, 4-6pm, but we have a few things on the agenda before the PACE item, so I anticipate that the PACE item will start no sooner than 4:45pm.

We will give each of you about 5 minutes, and the rest will be Q & A. Since we only have an hour, please bring answers to the following questions in written form, we are not looking for PPT presentations, but the Commission would like to have the answers in their hands.

- The retrofit goals highlighted in our CAP are essential to reaching our GHG goals, yet our current PACE uptake has only resulted in 2 job completions to date. How can adding more PACE providers help us reach our retrofit goals?
- Is PACE loan tax deductible?
- How do residents hear about your program?
- The annual admin fee- who pays for this?
- What is the average project cost?
- Who are your actual target customers, and do they live in our city?
- Explain which seismic upgrades PACE covers, if any, for your program
- Do your current contractors serve Cupertino? If so, how many?

- Please explain your ongoing contractor training and support.

Please let me know if you are able to attend!!

Thanks,

Misty

Misty Mersich, Acting Sustainability Manager
Office of the City Manager | City of Cupertino
(408) 777-3362 | cupertino.org/sustainability



Cupertino Sustainability Commission Q & A
HERO Program

Q: The retrofit goals highlighted in our CAP are essential to reaching our GHG goals, yet our current PACE uptake has only resulted in 2 job completions to date. How can adding more PACE providers help us reach our retrofit goals?

A: Several factors are critical in building a successful PACE Program, including a sound technology and services platform, a positive customer experience, data (transparency) and an educated and reputable contractor network.

Our technology infrastructure automates all of the processes and procedures required to deliver homeowners the necessary application, approval, and financing documents needed to complete a transaction, while they are with the contractor. This is a vital requirement for any program to successfully engage homeowners in using the program, and without it, homeowners will simply use other financing products that provide that ease of use. Meeting consumer expectations is a critical success factor to a program to achieve desired economic and environmental impact objectives. We developed the following capabilities:

- Easy online application with instant approvals including amount of funds available
- Web and mobile accessible estimating, proposal and document delivery software
- Electronic signature capability (documents can be e-signed)
- Comprehensive training curriculum with over a dozen modules
- Dedicated web presence for the municipality

The City will have access to the program's HERO Gov Portal, which provides real-time program reporting on a number of key metrics. All program statistics, environmental impact statistics, economic impact statistics, compliance statistics are captured and reported on in real-time and transparently presented to elected officials, advisory board, policymakers and their designees. All such individuals have their own system login credentials to access the real-time portals and reporting engines. All data is visible in the form of an interface with graphs, pictures and detailed data, with ability to download real-time data on demand to Microsoft Excel and PDF formats.

The HERO Program has over 8,000 registered contractors, as well as an extensive list of suppliers and manufactures that we work with. HERO has also recently partnered with the Electric & Gas Industries Association (EGIA). EGIA has a network of over 10,000 contractors, 80 distributors and 6 manufacturing partners, offering a wide range of benefits for contractors. Members have access to business-building educational tools, industry trends & best practices, discounted financial management resources, and new information on state & national programs. EGIA members stay informed about the latest state and national programs that can help them build their business and stay at the forefront of their industry.

See attached HERO Impact Map, for a snapshot of what HERO has already accomplished in Santa Clara County.

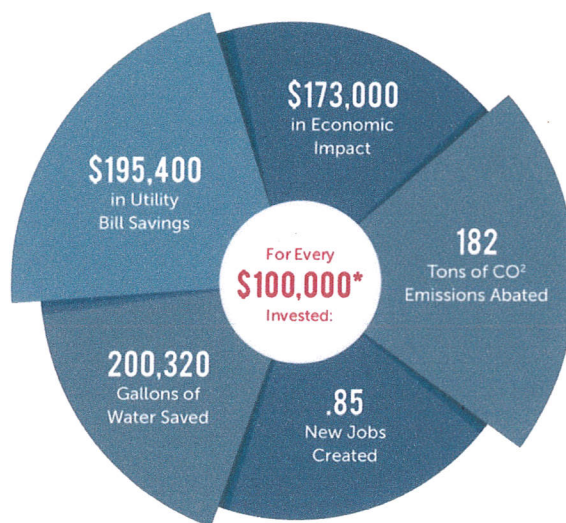
Q: Is PACE loan tax deductible?

A: The interest on HERO payments may be tax deductible. We recommend that property owners consult a tax advisor regarding potential tax benefits.

Cupertino Sustainability Commission Q & A
HERO Program

Q: How do residents hear about your program?

A: In order to market HERO in Cupertino, we will implement established marketing techniques honed from our experience in our existing HERO communities and adapt them to: 1) meet the community specific goals of Cupertino and 2) to effectively reach residents of Cupertino. We will meet with the City to customize the marketing plan to meet the objective of increasing the installation of energy efficient, renewable energy and water-saving products and in doing so, create economic stimulus and new job creation. Our research has shown that for every \$100,000 of HERO financed improvements results in \$173,000 in direct economic impact. We will work to amplify program awareness and adaption to maximize positive environmental and economic impact.



*Calculations are estimates based on established environmental and economic models for the state of California.

Recognizing the business-building opportunity the program creates for them, contractors are the primary source of homeowner referrals. They proactively reach out to homeowners and play a crucial role in increasing participation and awareness. The local HERO team members will identify potential local stakeholder organizations and companies and work to develop partnerships. These partnerships will help to shape the successful design of the program and help with marketing and education efforts within the region. Partnership efforts will be made with the following groups:

Manufacturers and Distributors –The program will leverage partnerships with local manufacturers and distributors, encouraging them to carry program-eligible products, educating them on the program, and encouraging them to promote it to clients.

Real Estate Organizations – Realtors have a pulse on the real estate market and come into contact with current and potential property owners, many of whom would be interested in a financing program for energy efficient upgrades on their property. For residential realtors, a HERO community is a huge asset. Prospective homebuyers are much more likely to purchase a home in need of repair if financing is readily available to support renovations. Additionally, studies have shown that homes with energy saving improvements are more attractive to potential homeowners

Cupertino Sustainability Commission Q & A
HERO Program

Civic Organizations – The program team will connect with chambers of commerce, civic and business organizations. The team will provide program-specific flyers, brochures and on-site trainings. The program represents an opportunity to greatly support local businesses and drive economic investment into the community; these organizations serve as meeting places for those thoroughly invested in civic engagement.

In addition to outreach with community groups, we plan to increase awareness via public relations and by leveraging traditional marketing tactics. For example, HERO has recently started advertising through radio partnerships, billboards and San Francisco Giants sponsorships in the Bay Area. Approaching the launch of the program, the City has a number of options for how they would like for us to generate awareness, they include:

- Developing a press release with quotes from local officials, which would then be circulated to local media.
- Hosting a press event or town hall meeting at city hall where the media and public can learn about program objectives and have the opportunity for questions.
- Exploring direct mail opportunities for property owners. These options would be explored in greater detail in our meetings with the City. Our marketing team functions like an in-house agency and is able to provide a variety of creative resources. Our Emmy Award-winning video team can go on location to conduct interviews, capture events, develop public service announcements, and create professional quality videos at no cost to the city. Our designers have developed informative marketing collateral which can be ordered through an online portal and shipped to the City free of charge. We are aware of Cupertino's diversity and are happy to report that all of our marketing materials are available in six different languages (Spanish, Chinese, Korean, Tagalog, Vietnamese and English) with other languages available upon request. Lastly, we are open to working with the City to develop targeted direct mail campaigns. For example, we could develop a bill insert to accompany a water bill mailing to increase drought awareness and encourage adoption of water-saving technologies now made more affordable through the HERO Program.

Q: The annual admin fee- who pays for this?

A: There is a one-time 4.99% administrative fee which covers the cost of administering the financing. This property owner is responsible for paying the admin fee, which is rolled into the monthly payments, so no up-front money is required.

Q: What is the average project cost?

A: The average project cost ranges from \$15,000 - \$22,000, depending on product type (solar, windows, doors, etc.).

Q: Who are your actual target customers, and do they live in our city?

A: The HERO Program doesn't target certain individuals. Our customers are mainly owner occupied homes and some investment properties. Specific eligibility requirements for residential properties include the following:

- Mortgage payments must be current at the time of application, and property owner(s) must not have had more than (1) 30-day mortgage late payment over the past twelve months.

Cupertino Sustainability Commission Q & A
HERO Program

- Property taxes must be current, and there must be no more than one late payment in the past three years.
- No outstanding involuntary liens, such as tax liens or mechanic's liens.
- Mobile homes must be permanently attached to the property and the owner of the underlying property must be the applicant and be subject to real property taxes.

Q: Explain which seismic upgrades PACE covers, if any, for your program

A: HERO does not currently cover seismic upgrades, per guidance from CAEATFA (who administers the PACE Loan Loss Reserve Program). This is something we are currently looking into for a future addition to the Program.

Q: Do your current contractors serve Cupertino? If so, how many?

A: HERO will work with Cupertino to register existing contractors in your community. Currently HERO has over 40 HERO registered contractor that could serve Cupertino, once the program is adopted. We have a dedicated webpage for homeowners to find contractors that work in your community. This feature will go live after the Community has adopted HERO.

Q: Please explain your ongoing contractor training and support.

A: Comprehensive HERO training is available to all contractor personnel through HERO's custom Training program that includes the following components:

- eLearning Training – Multimedia courses that include videos, handouts, and testing requirements.
- Webinars – Webinars on various HERO components – software tutorials, FAQs, product overviews, new HERO features and process changes.
- In Person, On-site Training – On-site trainings provided by HERO Account Managers. Training topics include detailed HERO process training, demos of HERO Proposal Tool, and marketing support.
- In Person, Group Trainings – Weekly group trainings on introductory HERO topics.

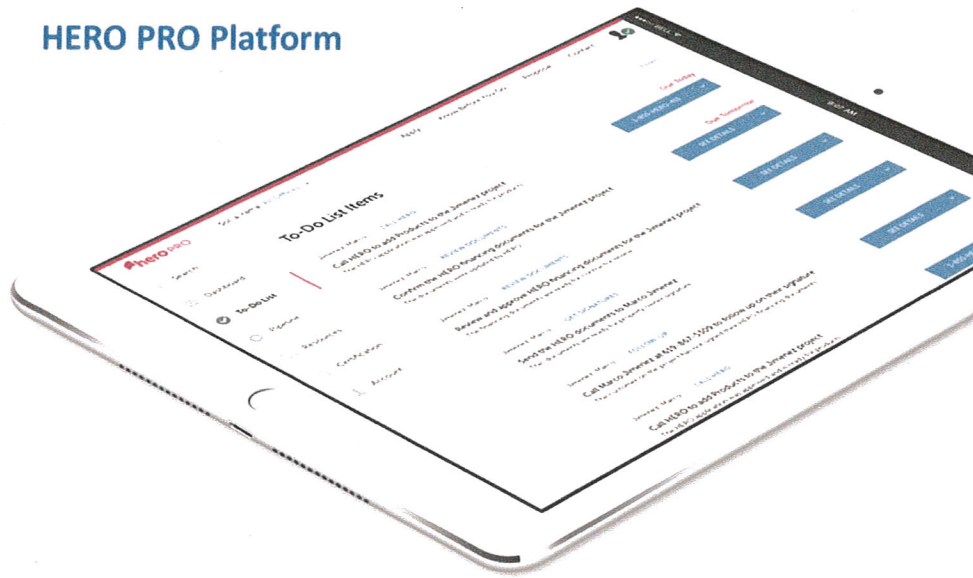
Both contractor companies and affiliated individuals are required to register with the program. The entire contractor and affiliated individual registration processes are online and automated. Additionally, registration requirements are re-checked on a daily basis. All contractor registration requirements are defined within our Contractor Participation Agreement. In summary, the criteria include:

- Must register with the HERO Program
- Must possess an active, valid California contractor's license issued by the California Contractors State License Board ("CSLB"). This includes meeting all bonding, classifications, and worker's comp requirements. It also includes not having any current CSLB derogatory status codes.
- Only those individuals registered with the CSLB as Qualifying Individual(s) for a Registered Contractor may register with the HERO Program as an account administrator
- Must sign and agree to comply with the Contractor Participation Agreement and associated terms and conditions and other materials.
- Contractor must stay in good standing with the HERO Program (i.e., HERO Program has the right to suspend or indefinitely suspend contractors for compliance violations or not meeting registration requirements – registration requirements are checked on a daily basis).

Cupertino Sustainability Commission Q & A HERO Program

HERO has also partnered with Communities to host Contractor Training events to engage local contractors and generate awareness in the community.

HERO PRO Platform



Santa Clara County, CA

460 Homes Improved

05/23/2014

HERO Launch Date

297,058

Housing Count

01/01/2011 - 06/16/2016

Report Range

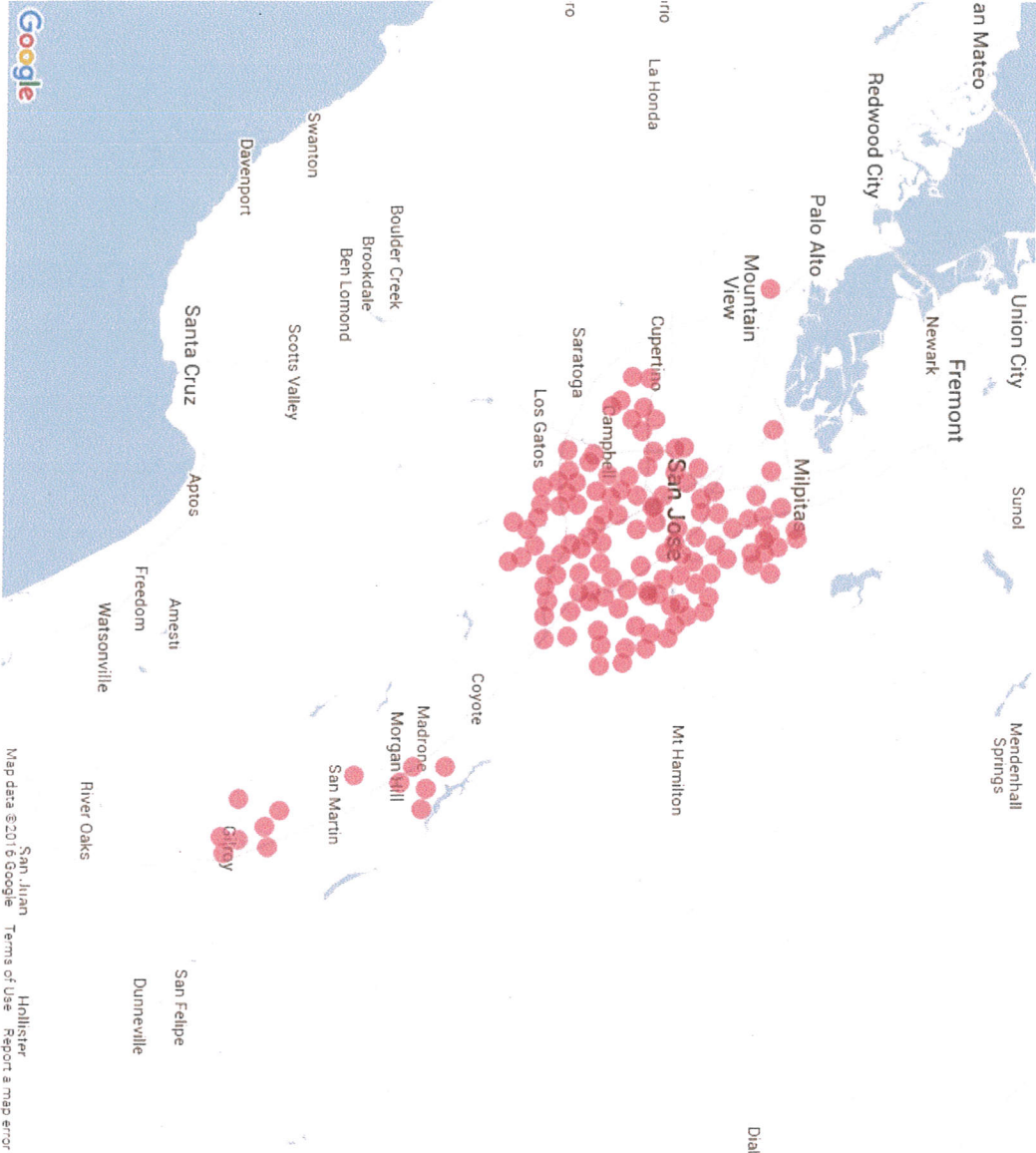
Improvements

Type	Total Installed	Bill Savings
Energy	554	\$5.04M
Solar	494	\$19.8M
Water	38	\$216K

Lifetime Impact

Applications Submitted	1,569
Applications Approved	1,172
Funded Amount	\$13.0M
Economic Stimulus	\$22.5M
Jobs Created	110
Energy Saved	71.8M kWh
Emissions Reduced	20.0K tons
Water Saved	23.2M gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>

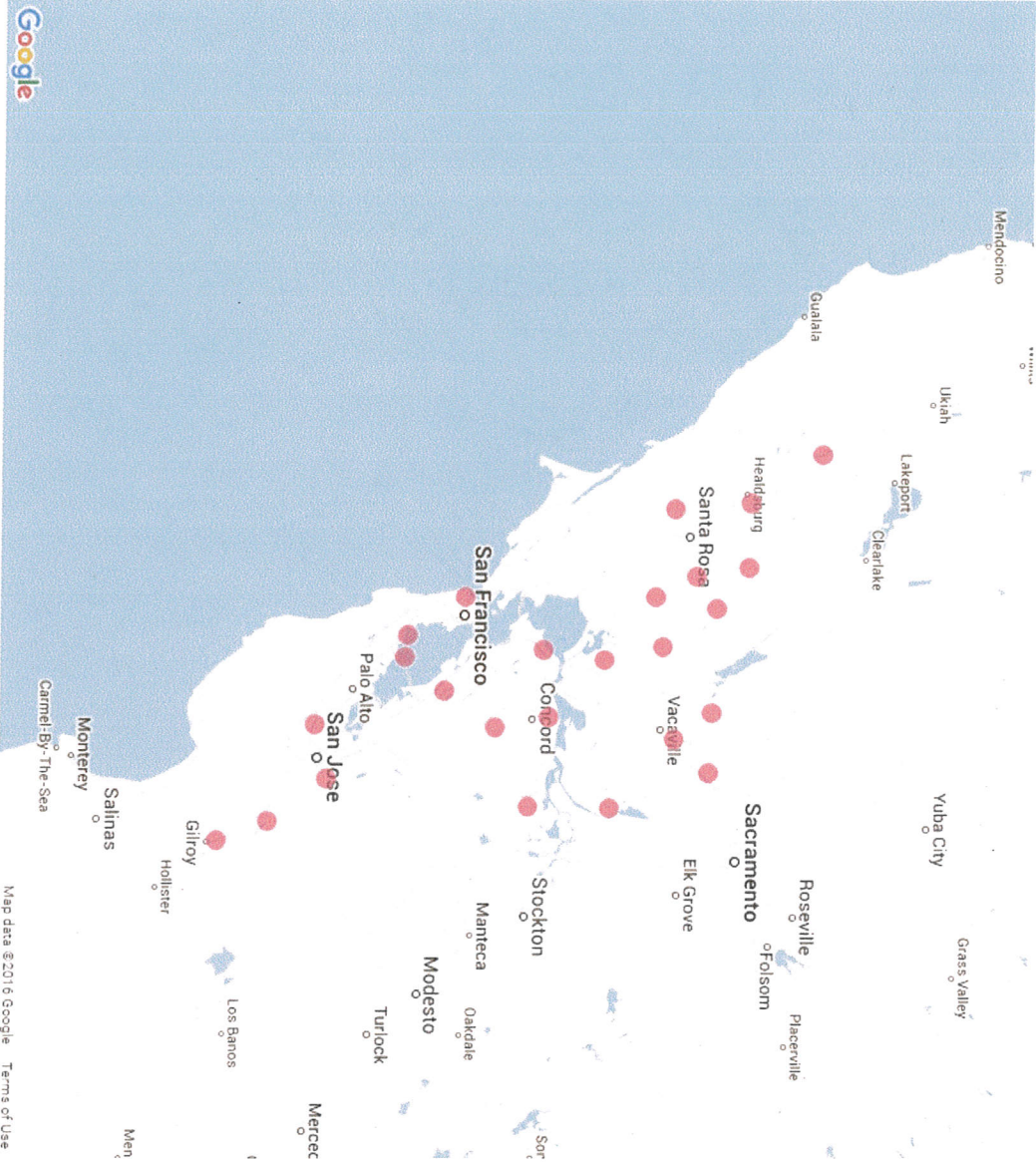


ABAG - Association of Bay Area Governments, CA

2,019 Homes Improved

03/24/2014
HERO Launch Date
1,129,911
Housing Count

01/01/2011 - 06/16/2016
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	2,805	\$34.2M
Solar	1,368	\$57.3M
Water	131	\$851K

Lifetime Impact

Applications Submitted	5,808
Applications Approved	4,455
Funded Amount	\$49.7M
Economic Stimulus	\$86.0M
Jobs Created	422
Energy Saved	358M kWh
Emissions Reduced	91.0K tons
Water Saved	92.9M gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>



855-HERO-411

gov@heroprogram.com

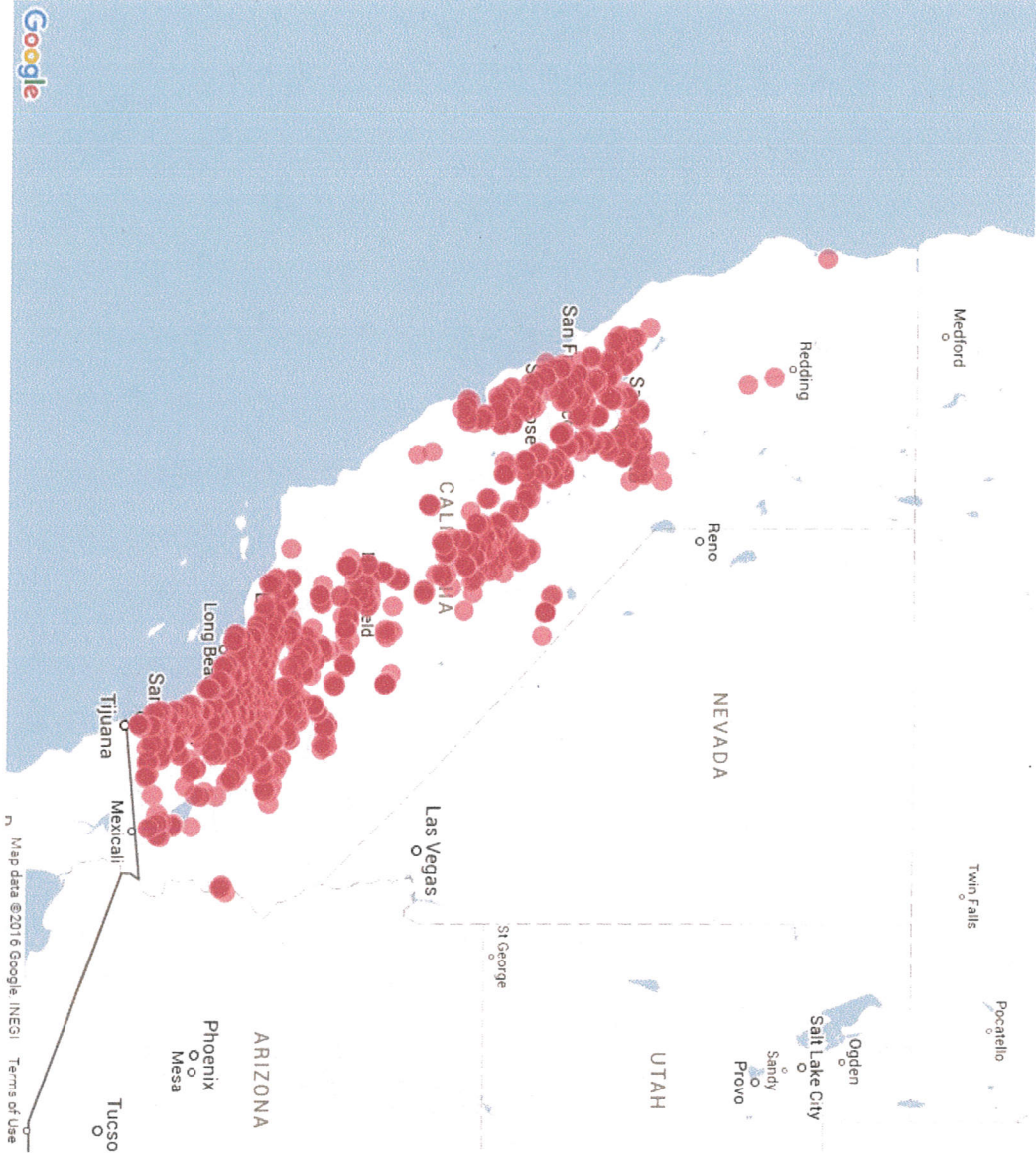
California

65,852
Homes Improved

12/14/2011
HERO Launch Date

8,530,416
Housing Count

01/01/2011 - 06/16/2016
Report Range



Improvements

Type	Total Installed	Bill Savings
Energy	94.3K	\$1.09B
Solar	37.4K	\$1.59B
Water	5,828	\$41.8M

Lifetime Impact

Applications Submitted	190K
Applications Approved	134K
Funded Amount	\$1.55B
Economic Stimulus	\$2.68B
Jobs Created	13.1K
Energy Saved	9.93B kWh
Emissions Reduced	2.67M tons
Water Saved	4.55B gal

Learn how these numbers are calculated at <https://www.heroprogram.com/faq>

Cupertino PACE Funding Group Questions

- 1. The retrofit goals highlighted in our CAP are essential to reaching our GHG goals, yet our current PACE uptake has only resulted in 2 job completions to date. How can adding more PACE providers help us reach our retrofit goals?**
 - While we cannot speak to current results demand continues to be significant in California.
 - Current PACE projects statewide have resulted in \$2 billion invested in nearly 100,000 homes. This accounts for apx. \$3.5 billion in economic impact, 4.3 million tons of CO2 reduction, \$4 billion in energy savings, 32 billion gallons of water saved, and 20,000 jobs created.
 - Adding additional providers creates competition and drives down the cost of PACE financing making it more attractive to property owners.
 - Adding additional providers deploys more resources in terms of marketing effort raising awareness for property owners that may not know of their options. There is a cumulative impact that results in more completed energy saving and GHG reducing projects.
 - PACE is not the single answer for achieving GHG goals but it is proving to be the most successful residential energy program ever created. And, it is not an energy program but a finance mechanism that reaches property owners at the time needed.
- 2. Is PACE loan tax deductible?**
 - While some may benefit from interest portions of the assessment, property owners are advised to seek professional guidance on tax deductibility.
- 3. How do residents hear about your program?**
 - Generally speaking, property owners select their project and their contractor and subsequently the form of financing. Our channel partner contractors provide PACE and an option for financing. Some jurisdictions also have a willingness to engage their community and we collaborate to support those efforts.
- 4. The annual admin fee- who pays for this?**
 - The property owner.
- 5. What is the average project cost?**
 - PACE projects typically range between \$18-22,000.
- 6. Who are your actual target customers, and do they live in our city?**
 - Residential property owners in need of solar, roofing, windows and doors, hvac and numerous other eligible projects. Roughly 20% of property owners have a need for these projects in a given year.
- 7. Explain which seismic upgrades PACE covers, if any, for your program**
 - We do not offer seismic.
- 8. Do your current contractors serve Cupertino? If so, how many?**
 - PACEfunding early pilot projects have been in Southern CA. We do not currently have any contractors who cover Cupertino, but through our new partnership with CertainTeed we'll soon have several who cover that city.
- 9. Please explain your ongoing contractor training and support.**
 - Our field sales team provides initial training and then ongoing training on sales, software and best practices in PACE.



1. Retrofit goals highlighted in our CAP are essential to reach GHG goals, yet our current PACE uptake has only resulted in two job completions to date. How can adding more PACE providers help us reach our retrofit goals?

Adding more, qualified and effective PACE providers will add choices for your constituents and stimulate more activity in your community. Having additional provider ensures a larger contractor base who are knowledgeable about PACE financing and its benefits. Property owners have the option to combine PACE financing with rebates and other incentive programs as well as traditional financing, which can support more robust projects with increased energy and water savings. Competition also ensures better service delivery and more competitive rates and terms for your constituents.

The YgreneWorks program will assign qualified, permanent field staff, Regional Account Managers, to work in Cupertino. The Regional Account Managers work side by side with local contractors to ensure they understand Ygrene's PACE financing and deliver best in class service to property owners. YgreneWorks financing is available to all qualified properties including both commercial and residential, which will lead to more projects being completed in your community. The YgreneWorks program can be activated in Cupertino within a week of the City Council's approval.

2. Is a PACE loan tax deductible?

Potentially. However, no one associated with the YgreneWorks program including our employees, certified contractors, or other representatives is authorized to provide tax advice to consumers or anyone else. Everyone is trained and instructed to advise property owners that PACE financing may have certain tax benefits and that property owners should consult with their tax advisor to find out what, if any, may apply to their individual circumstances.

3. How do residents hear about your program?

Ygrene works through existing and new channels to most effectively target both residential and commercial customers in recently approved jurisdictions. Ygrene collaborates with local energy watch programs, sustainability teams, green building programs, and others already in place for many Bay Area municipalities. Ygrene partners with its certified contractor network and utilizes a variety of marketing tools including radio, local print media, direct mail, and online media to reach local residents and business owners. Our Regional Account Managers often participate in local community events.

4. The annual admin fee - who pays for this?

Ygrene has an annual administration fee of about \$60. This fee reimburses the county for the annual costs of tax collection as well as the annual costs of tax administration and trustee services. The fee is included in the annual property tax amount paid by the property owner.

5. What is the average project cost?

Projects range from a minimum of \$5,000 to a maximum of 15% of the subject property's fair market value. Residential property owners typically borrow about half of the available financing for twenty (20) years. The average project amount is about \$22,500.

6. Who are your actual target customers, and do they live in our city?

With your city council's approval, YgreneWorks PACE financing will be available to any eligible property located within the City's boundaries wishing to make investments in water and energy saving measures, renewable energy, and/or EV charging infrastructure.

7. Explain which seismic upgrades PACE covers, if any, for your program.

Eligible seismic work funded by PACE financing can include:

- Soft story ordinance code compliance for residential and commercial properties (includes truss replacement, wall and foundation stabilization, plumbing, etc.).
- Adaptation and resiliency planning for large commercial properties .
 - *See list of eligible measures specific to PACE via CA Energy Commission*

Ygrene's seismic upgrade program is currently under development and will be available by the end of the year.

8. Do your current contractors serve Cupertino? If so, how many?

Yes. Ygrene has an existing base of local contractors that serve Cupertino and neighboring jurisdictions. At present, Ygrene has approximately 30 contractors who serve Cupertino, specifically. If approved, that number would grow significantly in the weeks following the vote by Council based on our extensive local recruitment. Ygrene collaborates with local building trade and homebuilders associations to recruit and train local contractors who can benefit from the program and in turn grow their businesses. This outreach stimulates local economic activity and helps to achieve higher participation in the city.

9. Please explain your ongoing contractor training and support.

YgreneWorks is proud of our robust certified contractor network that includes only well-qualified and licensed, bonded and insured contractors. We provide in person, onsite training as well as weekly webinars covering a wide range of relevant topics, including PACE program requirements, eligible improvements, funding, consumer protections, and basic refresher courses. In addition to support from Regional Account Managers, contractors are supported by Ygrene's in house customer service representatives and inside sales teams who are available during extended and weekend hours. Ygrene's Customer Service Representatives also work directly with property owners. Ygrene assists contractors with co-marketing and outreach and participation in community events.

Ygrene contractors must obtain all required building permits prior to beginning a project and provide final inspection and sign off the permitted work prior to the project funding. When a contractor submits a project payment request, the property owners must verify that the project has been completed to their satisfaction and authorize payment by Ygrene.

Ygrene's certified contractors must adhere to a strict code of conduct and are recertified annually to ensure that all licenses, insurance, and bonds are current and other program requirements are met. Contractors who fail to adhere to Ygrene's policies may be warned, suspended, or terminated from the YgreneWorks program.