



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Community Services
Department No.: 057
For Agenda Of: October 21, 2014
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Renee E. Bahl, Interim Community Services Director (805) 568-2467
Director(s):
Contact Angela Hacker, emPower Central Coast Program Manager (805) 568-3515
Info:
SUBJECT: Execution of Assignment and Assumption Agreement with CoastHills Credit Union

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve and authorize the Chair of the Board to execute the Consent to Assignment and Assumption of Performance of Amended and Restated Energy Improvement Loan Loss Reserve Agreement and Amended and Restated Program Agreement (“Assumption Agreement”) between the County of Santa Barbara and CoastHills Credit Union (Attachment A); and
- B. Determine that the approval and execution of the Assumption Agreement is not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the project is a creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and direct staff to file a Notice of Exemption (Attachment B).

Summary Text:

emPower Central Coast is the County’s voluntary building efficiency program designed to lower energy use across the region and stimulate the economy. Launched in November 2011, emPower provides services that help make it easier and more affordable for homeowners and contractors to complete energy saving improvements. These services include a low cost financing option administered through

an arrangement with CoastHills Federal Credit Union, which recently transitioned from a federal charter to a state-charter. The new charter does not impact program services. It is recommended that the Board approve the Assumption Agreement (Attachment A) to reflect CoastHills Credit Union's modified charter, which will not change the scope or level of services provided to the County.

Background:

On April 9, 2011, the Board authorized execution of agreements with CoastHills Federal Credit Union and directed emPowerSBC to establish a loan loss reserve and associated accounts held at CoastHills Federal Credit Union in Santa Barbara County's name. On April 22, 2014, the Board approved the Amended and Restated Energy Improvement Loan Loss Reserve Agreement (2014 LLR Agreement) and Amended and Restated Program Agreement (2014 Program Agreement) with CoastHills Federal Credit Union, which allow for loan program expansion and other enhancements.

CoastHills Federal Credit Union has since notified emPower staff that CoastHills Federal Credit Union has transitioned from a federally-chartered credit union to a state-chartered credit union. By authorizing the Assumption Agreement (Attachment A), all rights, burdens, obligations and liabilities of CoastHills Federal Credit Union under the 1014 LLR Agreement and the 2014 Program Agreement would be assigned to CoastHills Credit Union.

Risk Assessment:

The Assumption Agreement does not change any of the terms, conditions and covenants in the 2014 LLR Agreement and 2014 Program Agreement executed by the Board in April 2014. This recommended action assigns all rights, burdens, obligations and liabilities of CoastHills Federal Credit Union to CoastHills Credit Union, and does not present new risk to the County.

Fiscal and Facilities Impacts:

There are no fiscal or facilities impacts associated with this recommended action.

Fiscal Analysis:

The emPower program is currently externally funded by contracts from the United States Department of Energy, the Public Utilities Commission (PUC) via Southern California Gas Company and the CEC via Los Angeles County. The County's executed agreements with SoCalGas and Los Angeles County include loan loss reserve credit enhancement funding to support enhanced and expanded emPower financing services. Unused PUC loan loss reserve funds are subject to return to the PUC and therefore will not be accounted for as program income and expense, but are recorded on the balance sheet. Credit enhancement funds will be held at CoastHills Credit Union. The action to approve and execute the Assumption Agreement as detailed above was absorbed by existing budgeted staff. emPower's adopted 2014-2015 budget for Tri-County program delivery is provided below.

<u>Funding Sources</u>	<u>FY 14-15 Adopted</u>
General Fund	\$0
DOE	\$48,901
CEC/LA County	\$332,898
PUC/SCG	\$1,317,379
Total	\$1,699,178

Special Instructions:

Please send three copies of the Assumption Agreements and minute order to Angela Hacker.

Attachments:

Attachment A: Consent to Assignment and Assumption of Performance of Amended and Restated Energy Improvement Loan Loss Reserve Agreement and Amended and Restated Program Agreement

Attachment B: CEQA Notice of Exemption

Authored by: Sherman Hansen, Grants and Fiscal Lead emPower Central Coast