



## Environmental Quality and Energy Conservation Commission

The Environmental Quality and Energy Conservation Commission is an advisory body to the City Council on matters pertaining to oil, animal, energy conservation, and other environmental matters. Regular meetings are scheduled on the first Thursday of the month at 7:00 p.m. in the West Annex Commission Meeting Room.

Staff reports are available for review at the Community Development Department, Civic Center Main Library, and the City Clerk's Office. Direct questions or concerns to Deputy Director Linda Cessna at 310.618.5930. Agendas and Minutes are posted on the City of Torrance Home Page – [www.TorranceCA.Gov](http://www.TorranceCA.Gov).

Decisions by the Environmental Quality and Energy Conservation Commission may be appealed to the City Council. Such appeals shall be in writing, accompanied by the filing fee, and shall be filed with the City Clerk within fifteen (15) calendar days following the decision of the Environmental Quality and Energy Conservation Commission.

In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in this meeting, please contact the City Manager's Office at 310.618.5880. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28CFR 35.102-104 ADA Title II].

### HOURS OF OPERATION

Monday through Friday from

7:30 a.m. to 5:30 p.m.

Offices are closed alternate Fridays.

City Hall will be closed:

Friday, June 7, 2019

Friday, June 21, 2019

Thursday, July 4, 2019 (holiday)

Friday, July 5, 2019

Friday, July 19, 2019

# ENVIRONMENTAL QUALITY AND ENERGY CONSERVATION COMMISSION

WEST ANNEX COMMISSION MEETING ROOM  
CITY HALL, 3031 TORRANCE BOULEVARD  
TORRANCE, CALIFORNIA 90503

THURSDAY, JUNE 6, 2019  
7:00 P.M.

## AGENDA

1. CALL TO ORDER
2. ROLL CALL/MOTIONS FOR EXCUSED ABSENCE
3. FLAG SALUTE
4. REPORT ON POSTING OF AGENDA
5. ORAL COMMUNICATIONS FROM THE PUBLIC
6. APPROVAL OF MINUTES: May 2, 2019
7. ENVIRONMENTAL MATTERS:
  - A. Recommendation that the Environmental Quality Commission consider forwarding a recommendation to the City Council supporting the City of Torrance adopting a resolution allowing PACE providers aligned with the California Municipal Finance Authority (CMFA) to provide services within the City.
  - B. Discussion of potential change in meeting date from first Thursday to third Thursday.
8. ORAL COMMUNICATION
9. ADJOURNMENT: August 1, 2019

**MINUTES OF A REGULAR MEETING OF  
THE ENVIRONMENTAL QUALITY AND  
ENERGY CONSERVATION COMMISSION**

**1. CALL TO ORDER**

The Torrance Environmental Quality and Energy Conservation Commission convened in a regular session at 7:00 p.m. on Thursday, May 2, 2019 in the West Annex meeting room, Torrance City Hall.

**2. ROLL CALL:**

Present: Commissioners Deemer, DeWitt, Endo-Roberts, Martin, Stecker, and Chairperson Montgomery.

Absent: Commissioner Wright.

Also Present: Deputy Community Development Director Cessna and Planning Associate Lang.

**MOTION:** Commissioner Endo-Roberts moved to grant Commissioner Wright an excused absence for the May 2, 2019 Commission meeting. Commissioner Martin seconded the motion; a roll call vote reflected 6-0 approval (absent Commissioner Wright).

**3. SALUTE TO THE FLAG**

Commissioner Martin led the Pledge of Allegiance.

**4. POSTING OF THE AGENDA**

Deputy Director Cessna reported the agenda for this meeting was properly posted on the Public Notice Board.

**5. ORAL COMMUNICATIONS FROM THE PUBLIC**

Debra Corwin, Purrfect Partners, spoke and distributed packets of information regarding mandatory spay/neuter in the City and free spay/neuter clinics for cats.

**6. APPROVAL OF MINUTES: APRIL 4, 2019**

**MOTION:** Commissioner Stecker moved to approve the April 4, 2019 Commission meeting minutes as presented. Commissioner DeWitt seconded the motion; a roll call vote reflected 6-0 approval (absent Commissioner Wright).

**7. ENVIRONMENTAL MATTERS**

**7A. SUSTAINABILITY TEAM UPDATE**

Planning Associate Lang provided a PowerPoint presentation "Torrance Sustainability Update." She presented background on the formation of an interdepartmental Sustainability Team in May 2017 and creation of a Sustainability Plan in December 2017. She noted the Team's first goal was to establish a Mission and Vision Statement (Attachment 1). She stated next steps included obtaining community feedback to gauge interest in sustainability topics,

noting responses are included in Attachment 3. Additionally, the Team created a list of the City's programs, policies, and projects to understand the role of each Department in sustainability, programs already underway, and areas that could be expanded upon or receive further focus going forward (Attachment 2). She stated this list will also be used during the drafting of the Sustainability Plan and outreach efforts.

She provided information about one of the key projects – Alternative Fuels: 1) One Mile, One Charger Project, noting that goal has been achieved in over 94% of the City; 2) Mobile Source Pollution Reduction Committee grant that will allow up to eight charging stations for fleet only at both the Civic Center and City Yard and provides funding to replace four dump trucks with CNG models; and 3) Interim Alternative Fuel Policy to reduce consumption of petroleum based fuels and emission of greenhouse gases, noting the City will purchase alternative fuel vehicles as they reach the end of their service life if criteria is met.

Planning Associate Lang discussed another key project called SolSmart, a national program that recognizes communities that have taken steps to foster the growth of solar energy by reducing barriers and soft costs of installation. She announced the City successfully achieved the Gold Level designation as well as a Special Recognition Award in Permitting. She also described the California Green Business Network, a program that assists businesses in environmentally friendly practices to reduce pollution, minimize waste, and conserve water and energy. She noted the City received a \$30,000 grant and has achieved its goal of certifying 15 businesses.

She provided information regarding Shared On-Demand Personal Mobility Devices, which include docked and dockless electric bikes and scooters. She informed the Commission that the City adopted an Urgency Ordinance on this issue declaring a temporary moratorium in August 2018 to allow staff to research other cities' approaches and to explore appropriate requirements, benefits and concerns, and regulations. She added that some South Bay cities are currently considering a pilot project. She discussed the City's participation in the Climate Action Plan, adopted in December 2017, noting its greenhouse gas emission (GHG) reduction goals are consistent with the State's AB 32 targets: 15% reduction from 2005 by 2020, and 49% reduction from 2005 by 2035, as well as the State's long-term goal of 80% reduction below 1990 levels by 2050. She described graphs of emission targets, adding that the target for 2020 has already been achieved in Municipal Operations.

Planning Associate Lang stated the Team is continuing outreach efforts, will analyze feedback received during the Strategic Plan update efforts, and create a Sustainability web page for the City's website. She noted they plan to explore other sustainability topics that include a single-use plastics ban, a polystyrene ban, and leaf blower regulations.

In response to an inquiry from Commissioner Deemer, she stated trash trucks will convert over to CNG models as they reach the end of their service lives if technology, infrastructure, and costs allow.

Responding to Commissioner Stecker's inquiry, Deputy Director Cessna described a proposal for an electric trolley that would have a constant loop system going from the Transit Center, Downtown Torrance, and Del Amo Mall.

Commissioner Martin received clarification that the City of Long Beach has drop zones for Shared On-Demand Personal Mobility Devices, Torrance is converting to LED lighting and low flow faucets wherever possible, and there are no dedicated, federally recognized hazardous waste sites in Torrance.

Chairperson Montgomery referenced the GHG emission reduction targets in the NRDC report: 45% from 2010 levels by 2030 and net 0% from 2010 by 2050. In response to his inquiry, Planning Associate Lang relayed information about California Green Business Network's website.

Commissioner DeWitt suggested the City purchase used electric vehicles, and staff responded that Fleet has looked into it but they do not have the charging infrastructure yet.

Ruth Vogel discussed commitments in the Cities of Chicago and New York to fight climate change and have clean energy and be carbon neutral. She stated the Sustainability Team is on the right track but would like Torrance to have a more ambitious program.

Sharon Alexander stated Torrance is too conservative in visioning solutions to address climate change and needs to address public policy. She noted Torrance, being a planned city with major corridors, has a unique opportunity to establish a good public transportation system.

Deputy Director Cessna asked the Commission if there are any other sustainability issues they would like to add or emphasize to City Council.

Chairperson Montgomery concurred that the City needs to move faster in its efforts. He recommended community education through CitiCABLE, to simplify the process of solar installation, and to promote South Bay Environmental Services Center and Community Choice Aggregation.

Commissioner DeWitt indicated Torrance should help out neighboring cities if they are struggling to meet their goals. He added that the moratorium on Shared On-Demand Personal Mobility Devices is not allowing citizens to contribute to emission reduction.

Commissioner Stecker stated it is important to inform residents how they can contribute to sustainability efforts.

## **8. ORAL COMMUNICATION**

Commissioner Martin stated she would like to learn more about monitors at Torrance Refinery Company.

Commissioner DeWitt stated the City of Los Angeles has its first two-way bike path and that Maine has banned Styrofoam.

Commissioner Deemer announced 80<sup>th</sup> anniversary events at Union Station on May 4.

Chairperson Montgomery discussed Pasadena's efforts to grow jobs in technology innovation as well as ways to create walkable cities.

9. **ADJOURNMENT**

**MOTION:** At 8:16 p.m., Commissioner Martin moved to adjourn the meeting to June 6, 2019 at 7:00 p.m. in the West Annex meeting room, Torrance City Hall. Commissioner Endo-Roberts seconded the motion and, hearing no objection, Chairperson Montgomery so ordered.

###

Subject to Approval

## **TORRANCE ENVIRONMENTAL QUALITY COMMISSION**

June 6, 2019

To: Chairman Montgomery and Members  
of the Torrance Environmental Quality Commission

Subject: Property Assessed Clean Energy (PACE) Plans

### **Recommendation**

Staff recommends that the Environmental Quality Commission consider forwarding a recommendation to the City Council supporting the City of Torrance adopting a resolution allowing PACE providers aligned with the California Municipal Finance Authority (CMFA) to provide services within the City.

### **Background and Analysis**

As background, Assembly Bill (AB) 811 was signed into law in 2008 and generally authorizes the use of PACE financing for improvements to property that promote renewable energy generation, energy and water efficiency, and electric vehicle charging infrastructure. The financing for these improvements is known as PACE, which stands for Property Assessed Clean Energy. Property owners can choose to finance qualifying improvements through the PACE program, which places a lien on the property and assesses repayment of the amount financed through the property tax billing for the property over a term of up to 25 years.

### **ANALYSIS:**

The PACE Program is offered to allow property owners in participating cities and counties 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 installed improvements will be financed by the issuance of bonds by a joint powers authority. The bonds are secured by a voluntary contractual assessment levied on the owner's property, with no recourse to the local government or other participating jurisdictions. Participation in the program is 100% voluntary. Property owners who wish to participate in the program agree to repay the amount borrowed through the voluntary contractual assessment collected together with their property taxes. This financing is available for eligible improvements on both residential and non-residential properties.

Currently, the City has agreements to offer residential PACE financing through the HERO and Ygrene programs and last year approved participation in the OPEN PACE and Figtree PACE programs. We are now being asked to expand the

availability to include PACE providers under the CMFA Joint Powers Authority (JPA), to which the City belongs. This will require Council approval of a resolution allowing the CMFA providers to offer PACE financing in the City.

The benefits to the property owner include:

- Eligibility: In today's economic environment, alternatives for property owners to finance renewable energy/energy efficiency/water efficiency improvements or electric vehicle charging infrastructure may not be available. Many property owners do not have financing options available that would provide funding for improvements that lower their utility bills.
- Savings: Energy prices continue to rise and selecting in energy efficient, water efficient and renewable energy improvements reduces utility bills.
- 100% voluntary. Property owners can choose to participate in the program at their discretion. Improvements and properties must meet eligibility criteria in order to qualify for financing.
- Payment obligation stays with the property. Under Chapter 29, a voluntary contractual assessment stays with the property upon transfer of ownership. Certain residential conforming mortgage providers will, however, require the assessment be paid off at the time the property is refinanced or sold.

The potential benefits to the City include:

- More energy efficient buildings in the City, helping to meet our Greenhouse gas reduction goals

The passage of resolutions enable the various PACE Programs to be available to owners of both commercial and residential property within our City to finance renewable energy, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure. Staff therefore recommends that the Commission recommend to the Council that a resolution be adopted allowing residents of the City of Torrance to participate in PACE programs authorized by the CMFA.

Respectfully Submitted,

Linda Cessna  
Deputy Community Development Director

Attachments:

1. CMFA Letter of Request
2. PACE Legislative Overview



April 17, 2019

Ms. Linda Cessna  
Deputy Community Development Director  
City of Torrance  
3031 Torrance Blvd.  
Torrance, CA 90503

RE: Property Assessed Clean Energy (PACE)  
Request for Authorization

Dear Ms. Cessna:

On behalf of the California Municipal Finance Authority (CMFA) and Energy Efficient Equity (E3), we appreciated the opportunity to discuss PACE programs within the City. We are writing to you to respectfully request Torrance's consideration of a resolution to authorize CMFA providers to conduct PACE financing in the City, thereby advancing competition within the marketplace and benefitting the residents of Torrance.

As you know, each PACE provider and their respective Joint Powers Authority (JPA) must receive authorization before it is allowed to do business in a particular jurisdiction. The PACE administrators California Statewide Communities Development Authority (CSCDA) and California Enterprise Development Authority (CEDA) was authorized in Torrance on September 25, 2018 (Item #9B from that agenda). We are again seeking authorization to provide similar services that the City has already approved for the other PACE providers.

#### **About CMFA**

Energy Efficient Equity, Inc. (E3) is a PACE provider under the California Municipal Finance Authority's (CMFA) PACE program. E3 currently operates in approximately 150 jurisdictions throughout California. We are authorized in 22 jurisdictions in Los Angeles County including:

- Azusa
- Artesia
- Bell
- Bellflower
- Claremont
- Duarte
- El Monte
- Gardena
- Glendale
- Glendora
- Huntington Park
- La Mirada
- La Puente
- Lancaster
- Los Angeles, City of
- Lynwood
- Montebello
- Santa Fe Springs
- Santa Monica
- Walnut
- West Covina
- West Hollywood

#### **Why Include Further PACE Providers?**

Including further PACE programs in the City will advance competition and consumer choice within the marketplace. Competition among PACE providers benefits consumers by providing multiple options, encouraging improved services and potentially reducing interest rates. As with any financial choice, the ability for consumers to have multiple providers that meet their individual needs is paramount.



### **PACE Providers are Equally Regulated**

The California Department of Business Oversight is the State-regulating entity for all PACE providers. All PACE providers are subject to the same regulations and requirements, and must apply consumer protections equally. There are no differences in the requirements for PACE providers to act appropriately in the City and those that violate the regulations are subject to the State-imposed penalties.

We have attached an overview of the legislative changes related to PACE that have been implemented over the last few legislative sessions as well as a draft authorizing resolution and staff report. E3 and our consultant Capitol Core Group will work with you to provide more information about authorization should you have further questions. We appreciate this opportunity to request consideration of our JPA for authorization before the City Council. Should you have any questions please call either Jeff Simonetti at 909-568-5645 or myself at 858-616-7500.

With Best Regards,

Chris Peterson  
Vice President Municipal Development  
Energy Efficient Equity

CC: Leroy J. Jackson, City Manager  
City Council

# Overview of PACE Legislation in California

## Introduction

As the PACE industry as a whole has grown, we have worked together with the Legislature to implement a comprehensive legislative reform package in California to add strong consumer protections and disclosures for all PACE customers. From 2016-2018, the PACE industry passed 5 main pieces of legislation that clarify and codify a variety of consumer protection and disclosure items. **As a result of both changes to our practices and five key pieces of legislation, the PACE industry is now the most comprehensively regulated and most successful consumer finance industry for home energy efficiency improvements.** As a note, this legislative package applies to all PACE providers, regardless of their JPA affiliation. The following is an overview of these changes that the industry has addressed.

### **AB 2693 (Dababneh, Signed September 25, 2016)**

- Applicants have a three day right to cancel the contract for a refund and will not be charged a cancellation fee should they cancel the contract.
- The homeowner will receive a Financing Estimate and Disclosure (“Know before you Owe”) form which lays out the key components of the financing agreement such as term, interest rate, etc.
- The form also requires disclosure that the homeowner may be obligated to pay off the balance of the PACE lien when refinancing or selling the property.
- A contractor or PACE provider **cannot** make financial representations about the potential increase in value to a property as a result of the PACE assessment without an appraisal, broker’s opinion of value or an automated valuation model to derive property value.

### **SB 242 (Skinner, Signed October 4, 2017)**

- Requires a live phone call with the PACE applicant to review key contract terms to make sure the applicant understands the terms of the PACE assessment.
- Requires translation of contract documents into the language of choice of a customer should he or she request.
- Applicants have a 3-day right to rescind the contract.
- Prohibits PACE providers from providing direct or indirect cash payments or anything of a material value to a contractor or 3rd party that is in excess of the actual price charged to the property owner for the sale or installation of efficiency improvements financed by an assessment contract.

### **AB 1284 (Dababneh, Signed October 4, 2017)**

- AB 1284 requires that PACE providers assess the ability of the homeowner to make their PACE payments when deciding if a homeowner qualifies for financing.
- PACE providers will also be required consider the amount of the annual PACE payment in the context of the household’s income, existing debt obligations, and regular living expenses.

**AB 2063 (Aguiar-Curry, Signed September 27, 2018)**

- AB 2063 changes the timing by which a PACE provider must determine an applicant's ability to pay from prior to the recordation of the assessment to prior to the execution of the assessment contract and the home improvement contract.
- As such, no work can begin and the applicant will have no financial obligation until the PACE provider has verified the applicant's ability to pay.

**SB 1087 (Roth, Signed September 27, 2018)**

- The bill requires the Department of Business Oversight (DBO) to publish a searchable list of contractors that are enrolled to provide PACE services. These contractors must maintain in good standing a license from the Contractor's State License Board (CSLB).
- It also requires the DBO to list contractors that have been suspended for disciplinary reasons.