



SOUTHERN MULTIFAMILY ENERGY SAVINGS RENT AFFORDABILITY AGREEMENT

This Agreement is made and entered into by and between

San Diego Gas & Electric Company

And

(Insert Owner Entity Name)

The Owner of

(Insert Address, City Zip Code)

Building(s) to Receive Program Services under the Program

RECITALS

WHEREAS, San Diego Gas & Electric Company (“**SDG&E**”) administers the Southern Multifamily Energy Savings (MFES) Program for itself and on behalf of Southern California Edison Company and Southern California Gas Company. The Southern MFES Program provides Energy Savings Assistance Program services to certain deed restricted and non-deed restricted multifamily customers, which services include the installation of in-unit, common area, and whole building energy efficiency measures. Richard Heath and Associates, Inc. implements the Southern MFES Program on behalf of SDG&E;

WHEREAS, Decision 21-06-015 of the California Public Utilities Commission (“**Decision**”) requires non-deed restricted multifamily energy savings (MFES) program property owners and certain deed restricted MFES program property owners to execute rent restriction agreements. A copy of the Decision can be found at: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M387/K107/387107687.pdf>.

AGREEMENT

NOW THEREFORE, pursuant to the requirements of the Decision, SDG&E and the undersigned Owner hereby agree as follows:

1. **Definitions.** As used in this Agreement:
 - 1.1. “**Agreement**” means this Southern Multifamily Energy Savings Rent Affordability Agreement executed the Parties.
 - 1.2. “**CPUC**” means the California Public Utilities Commission.
 - 1.3. “**Deed Restricted Property**” means a multifamily residential complex financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds or local, state or federal loans or grants.
 - 1.4. “**ESA Program**” means the Energy Savings Assistance program administered by SDG&E under the auspices of the CPUC.



- 1.5. **“Non-Deed Restricted Property”** means a multifamily residential complex targeted for lower income households that are not subject to a deed restriction or affordability covenant with a public entity or nonprofit housing provider organized under Section 501(c)3 of the Internal Revenue Code that has as its stated purpose in its articles of incorporation on file with the office of the Secretary of State to provide affordable housing to lower income households that ensures that the units will be available at an affordable rent for a period of at least thirty (30) years.
- 1.6. **“Owner”** means the owner of the Property.
- 1.7. **“Parties”** means both SDG&E and Owner.
- 1.8. **“Program”** means the Southern Multifamily Energy Savings Program administered by SDG&E under the auspices of the CPUC.
- 1.9. **“Program Services”** means weatherization services or energy efficiency measures provided or installed under the Program, whether such services or measures are provided or installed for the whole building, common area, or in-unit.
- 1.10. **“Property”** means the multifamily residential complex property located at the address set forth above.
2. Effective Date. The effective date of this Agreement shall be the latest date of signature of the Parties to this Agreement (**“Effective Date”**).
3. Eligibility. Owner represents and warrants as of the Effective Date that the Property meets all of the requirements to receive Program Services under the Program. In particular, if the Property is a Deed-Restricted Property, Owner represents and warrants as of the Effective Date, sixty-five percent (65%) of the Property’s tenants meets ESA Program income eligibility thresholds. If the Property is Non-Deed Restricted Property, Owner represents and warrants as of the Effective Date, eighty percent (80%) of the Property’s tenants meets ESA Program income eligibility thresholds.
4. Owner’s Obligations.
 - 4.1. Non-Deed Restricted Property Owners. If the Property is a Non-Deed Restricted Property as of the Effective Date, Owner agrees to comply with the following:
 - (a) Owner must maintain at least fifty percent (50%) of the building tenants as California Alternate Rates for Energy (CARE) income qualified for a period of ten (10) years following receipt of Program Services;
 - (b) Owner must not significantly increase rents because of home improvements for a period of ten (10) years following receipt of Program Services; and
 - (c) Owner is responsible for paying a fifty percent (50%) co-pay for those Program Services that are provided or installed for the whole building or for common areas (and excluding in-unit Program Services).



4.2. Deed Restricted Property Owners. If the Property is a Deed Restricted Property as of the Effective Date, Owner agrees to comply with the following:

If the Property is no longer a Deed Restricted Property within ten (10) years after receiving Program Services that are provided or installed for the whole building or for common areas (and excluding in-unit Program Services), Owner must thereafter, until the date that is of ten (10) years following receipt of such Program Services:

- (a) Maintain at least fifty percent (50%) of the building tenants as California Alternate Rates for Energy (CARE) income qualified; and
- (b) Not significantly increase rents because of home improvements.

4.3. Implementer. Owner acknowledges and understands that SDG&E has contracted with **Richard Heath & Associates** to implement the Program (“**Implementer**”).

5. Breach. In the event of breach of this Agreement by Owner, Owner shall pay SDG&E in the amount equal to all costs of all Program Services performed or installed on the Property, including all direct and indirect costs, as well as attorney’s fees and court costs for judgments from the time of the breach. Without limiting the foregoing, in the event of a breach of this Agreement by Owner, SDG&E may at its option terminate this Agreement by providing written notice to Owner. Owner may also be liable for damages to a tenant or applicant for tenancy, as third-party beneficiaries, in accordance with applicable law; in such instance, Owner shall reimburse tenant or applicant for tenancy for attorney’s fees and court costs.

6. Disclaimers and Restrictions.

6.1. No Warranties. SDG&E makes no warranties, express or implied, including the warranties of merchantability or fitness for a particular purpose, use, or application of any Program Service, or installation, operation, control or use thereof, or any other products, devices, equipment or services provided in connection with the Program, whether by SDG&E, Implementer, its contractors, agents or representatives, or any third person. Actual savings under the Program may vary and will depend on various factors, including geographic location, weather conditions, equipment functionality, and usage rates.

6.2. No Obligation to Purchase Additional Goods. By choosing to participate in this Program, Owner understands that Owner is not obligated to purchase any additional goods or services offered by SDG&E, Implementer, its contractors, agents or representatives, or any third person.

6.3. Limitation of Liability. SDG&E will have no liability in connection with the installation, operation or use of any Program Service, including without limitation with respect to any property damage, destruction, death, personal injury or financial losses arising therefrom. Owner hereby releases, indemnifies, defends, and holds harmless SDG&E, its officers and employees, from and against all claims, causes of actions, demands, liabilities, losses, damages, costs and expenses, including all special, indirect, punitive, or consequential damages, arising from the installation, operation, control or use of any Program Service, whether arising under contract, warranty, strict liability, or tort (including negligence of any kind).



7. Miscellaneous. Owner shall not be permitted to assign or delegate this Agreement or any portion hereof to any third party, and any such assignment or delegation shall be null and void. This Agreement may be executed in any number of counterparts, and any Party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. No amendment or modification of this Agreement shall be of any force or effect unless such amendment or modification is in writing and signed by a duly authorized representative of the Party to be bound thereby. This Agreement shall be governed by the internal laws of the State of California, excluding its conflict of laws provisions.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



The Parties have each caused this Agreement to be executed as of the Effective Date by its duly authorized representative.

SDG&E:

SAN DIEGO GAS & ELECTRIC COMPANY

By: _____

Name: _____

Title: _____

Date: _____

OWNER:

(Insert Owner Entity Name)

By: _____

Name: _____

Title: _____

Date: _____

