



County of El Dorado

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Legislation Details (With Text)

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On agenda: 10/1/2013 **Final action:** 10/1/2013

Title: Chief Administrative Office recommending 1) approval of contract with Ygrene Energy Fund for seven year term for the administration of a Property Assessed Clean Energy (PACE) program, 2) approval of the joint representation agreement with Orrick, Herrington & Sutcliffe LLP related to the formation of the PACE program, and adoption of Resolution of Intention to establish Community Facilities District No. 2014-1 (Clean Energy) and to levy special taxes therein to finance or refinance the acquisition, installation, and improvement of energy efficiency, water conservation, and renewable energy improvements permanently affixed to or on real property or in buildings.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 6A - Placer County Residential PACE Staff Report 10/1/13, 2. 6B - Timken Johnson Ltr 7/23/2013 re PACE Obligations 10/1/13, 3. 6C - Ygrene Lending Restrictions July 2013 10/1/13, 4. 6D - Ygrene.PACE.residential mortgage memo 07-2013 10/1/13, 5. 6E - Mt. Dem Article 10-1-13, 6. 6F - Letter from Christopher Sanchez.pdf, 7. Public Comment 10-1-13, 8. Public Comment No. 19 received 10-1-13.pdf, 9. 3A - 12-0965 Tahoe Chamber Letter of Support.pdf, 10. 3B - 12-0965 Public Comment.pdf, 11. 3C - Bay Sierra Construction Letter.pdf, 12. 3D 12-0965 Carter-Kelly Inc. Letter.pdf, 13. 3E - 12-0965 Power Point.pdf, 14. A - 12-0965 Presentation YGrene, 15. B - 12-0965 Ygrene Model, 16. C - 12-0965 Comment from Sup. Briggs. 8-28-12.pdf

Date	Ver.	Action By	Action	Result
10/1/2013	6	Board of Supervisors	Approved	Pass
6/11/2013	5	Board of Supervisors	Continued	
6/4/2013	5	Board of Supervisors	Continued	Pass
5/14/2013	4	Board of Supervisors	Continued	Pass
4/2/2013	3	Board of Supervisors	Continued	Pass
8/28/2012	2	Board of Supervisors	No Formal Action	
8/7/2012	1	Board of Supervisors	No Formal Action	

Supervisor Santiago requesting the Board make a final decision regarding the Property Assessed Clean Energy (PACE) program in conjunction with Ygrene Energy Fund. (Cont'd 6/11/13, Item 32) This program, designed to benefit homeowners' access to environmental improvements, approved and endorsed by the state and adopted by other counties, has come to the El Dorado County Board of Supervisors on several occasions has been endorsed by Chambers of Commerce, has received no conclusive input from the County's Bond Committee, and is prepared to launch upon final Board approval. It would be appropriate, at this time, for the Board of Supervisors to vote to allow this program to move forward on behalf of county constituents who would benefit from the financial alternative designed for home upgrades.

Fiscal Impact/Change to Net County Cost

No fiscal impact or change to net county cost associated with this item.

Background

In October of 2011 Senate Bill 555 was signed into law. SB 555 amended the Mello-Roos Community Facilities Act of 1982 (Government Code sections 53311 and following) to enable public agencies in California to establish voluntary special-tax programs to reduce the upfront costs associated with energy-efficiency, renewable-energy, and water-conservation projects that are affixed to real property and proposed by property owners. Under SB 555, a local agency may create a Community Facilities District that initially contains no parcels of land, but consists only of territory from which parcels may subsequently be annexed to the Community Facilities District with the unanimous approval of parcel owners. Key steps in the formation of the Community Facilities District include:

- Approval of the Boundary Map
- Adoption of a Resolution of Intent to Form the District
- A public hearing
- Adoption of the Resolution of Formation of the District
- Adoption of a Bond Authorization Resolution
- Filing and prosecution of a bond validation suit

Under the Community Facilities District formation procedures in SB 555, a parcel owner's application for energy efficiency financing is deemed to be a vote in favor of annexation into the Community Facilities District. The cost of the energy improvements is then financed through a special Community Facilities District tax on the parcel owner's property tax bill. Like other property based taxes, the PACE tax remains on the parcel upon change of ownership. All parcel types (i.e. residential, commercial industrial, etc.) are eligible to participate in the Community Facilities District.

The City of Sacramento and the County of Sacramento among other local jurisdictions are in the process of establishing PACE programs in conjunction with Ygrene Energy Fund. Ygrene offers a turnkey PACE program to cities and counties funded with private capital, and is the only administrator to do so utilizing an SB 555 based model. Through contract with the city or county, Ygrene serves as the administrator of the Community Facilities District, and works with PACE applicants and local contractors to facilitate improvements.

In August 2012 the Board received a presentation from Ygrene Energy Fund on a potential Property Assessed Clean Energy (PACE) program for the County of El Dorado. The Board took no formal action but advised County Counsel and staff from the Chief Administrative Office to review program documentation and come back to the Board for final conceptual approval.

Staff will need more time to work with Ygrene on some of the specific program documents. However, staff has not identified any outstanding issues that would prohibit the Board from moving forward on a PACE partnership with Ygrene. The Federal Housing Finance Agency has cast uncertainty over the future of PACE financing, and those concerns have yet to be resolved. For that reason, if the Board desires to pursue a PACE program, staff recommend establishing a program with Ygrene that legally permits both residential & non-residential properties to participate in the program, but requires the Board of Supervisors to affirmatively authorize Ygrene to begin including residential properties in the program.

Staff will bring back program documentation for the Board's approval.

Contact

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Concurrences