



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 4/21/2020

To: Sonoma County Board of Supervisors
Department or Agency Name(s): General Services
Staff Name and Phone Number: Caroline Judy, 707-565-8058
Vote Requirement: Majority
Supervisorial District(s): Fourth

Title:

Authorization for Third-Party PACE Financing Project in Unincorporated Sonoma County

Recommended Action:

Adopt a resolution consenting to the inclusion of a single property within the County's unincorporated area in the Western Riverside Council of Governments' California HERO Program to finance seismic strengthening improvements.
(Fourth District)

Executive Summary:

The County's Energy and Sustainability Division (the "Division") of General Services has been contacted by the Western Riverside Council of Governments (WRCOG), a joint powers authority of which the County is an associate member, with a request to allow one of its third-party, for profit commercial Property Assessed Clean Energy (PACE) administrators, Greenworks Lending, LLC ("Greenworks"), operating under WRCOG's California HERO Program, to finance energy efficiency, water conservation, and seismic strengthening improvements at a new senior living community owned by Carlton Senior Living Santa Rosa located at 4732 Old Redwood Highway. Because the County has not authorized WRCOG to finance seismic improvements in the County, Board authorization is required for those improvements. The Board's authorization of seismic improvements will be limited to the improvements at 4732 Old Redwood Highway. WRCOG and Greenworks will coordinate with the Tax Collector's Office for the inclusion of the tax levy and repayment for the subject property's tax bill.

Discussion:

In 2014, your Board established the Sonoma County PACE Financing Marketplace (Marketplace), authorizing two joint powers authorities and their third-party property assessed clean energy (PACE) providers to operate in the unincorporated areas of the County. In 2015 and 2016, your Board authorized two additional joint powers authorities and their third party PACE providers to enter the Marketplace. Board action is required to authorize each new marketplace entrant. These providers offer a mix of residential and commercial PACE products. Since May 2016, no new PACE providers have been added to the Marketplace, although in 2019 the County did authorize two individual commercial PACE projects to move forward with third-

party financing in the unincorporated territory of the County. One of those projects, authorized by this Board on October 8, 2019, did not progress as planned and the property owner is now working with a new PACE provider to complete the project.

On March 2, 2020, the Division was contacted by Western Riverside Council of Governments (WRCOG) with a request to allow one of their Commercial PACE administrators, Greenworks Lending, LLC (“Greenworks”) to finance energy efficiency, water conservation, and seismic strengthening improvements at a new senior living community owned by Carlton Senior Living Santa Rosa located at 4732 Old Redwood Highway. In order for Greenworks to provide PACE financing for the seismic improvements, Board authorization is required. The County has been an associate member of the Western Riverside Council of Governments’ JPA since 2014, and the Board has authorized participation of the County in WRCOG’s California HERO Program, under which Greenworks operates. This current authorization is limited to the 4732 Old Redwood Highway improvements. Any future seismic improvements contemplated under WRCOG’s California HERO Program will require further Board consent.

There are many PACE administrators operating throughout the state. Below is a table showing the PACE programs operating in Sonoma County and additional programs operating outside of the County.

Authorized JPA	3rd Party PACE Administrator	PACE Program	Commercial	Residential	When Authorized in the County
Sonoma County Public Financing Authority	None; operated by the County	Sonoma County Energy Independence Program	x	x	03/24/09
California Statewide Development Communities Authority (CSCDA)	Renew Financial	CaliforniaFIRST	x	x	10/21/14
Rural County Representatives of California and Golden State Finance Authority (RCRC/ GSFA)	Ygrene	Ygrene	x	x	05/24/16
Western Riverside Council of Governments (WRCOG)	Renovate America TWIN Financial Partners Greenworks, LLC	HERO	x	x	10/21/14
California Enterprise Development Authority (CEDA)	Dividend (formerly Figtree Financing)	Dividend (formerly Figtree Financing)	x		03/17/15

Additional PACE in California	3rd Party PACE Administrator	PACE Program	Commercial	Residential	When Authorized
California Statewide Development Communities Authority (CSCDA)	PACE Funding	PACE Funding		x	N/A
California Statewide Development Communities Authority (CSCDA)	Counterpointe SRE	Counterpointe SRE	x		N/A
California Statewide Development Communities Authority (CSCDA)	Clean Fund	Clean Fund	x		N/A
California Statewide Development Communities Authority (CSCDA)	Petros PACE Finance	Petros PACE Finance	x		N/A
California Municipal Finance Authority (CMFA)	Energy Efficient Equity	E3 PACE		x	N/A
California Municipal Finance Authority (CMFA)	Blue Flame Energy Finance LLC	BluePACE	x		N/A
California Municipal Finance Authority (CMFA)	Structured Finance Associates	Structured Finance	x		N/A
California Municipal Finance Authority (CMFA)	OnPACE Energy	OnPACE Energy	x		N/A
California Municipal Finance Authority (CMFA)	Twain Financial	Twain Financial	x		N/A
California Municipal Finance Authority (CMFA)	Samas Commercial	Samas Commercial	x		N/A
California Municipal Finance Authority (CMFA)	PACE Equity	PACE Equity	x		N/A

Prior Board Actions:

- 10/8/2019 – Authorized California Statewide Communities Development Authority Open PACE Program to administer a third-party PACE financing project in unincorporated Sonoma County for a new senior living community.
- 9/17/2019 – Authorized California Municipal Finance Authority / BlueFlame PACE Services LLC to administer a third-party PACE financing project in unincorporated Sonoma County for a new climate controlled storage facility.
- 5/24/2016 – Multiple actions related to Sonoma County Property Assessed Clean Energy Financing Marketplace, Golden State Finance Authority, and Ygrene Energy Fund
- 3/17/2015 – Resolution to add the FigTree Financing PACE program to the Marketplace and authorize the California Enterprise Development Authority to conduct contractual assessment proceedings and levy contractual assessments within the unincorporated territory of the County.
- 10/21/2014 – Multiple actions to create Sonoma County Property Assessed Clean Energy Financing Marketplace, including the addition of CaliforniaFIRST and HERO PACE financing to the Marketplace; joining the Western Riverside Council of Governments (WRCOG) JPA; authorizing the County’s participation in the WRCOG California HERO program; and authorizing the County’s participation in and the California Statewide Communities Development Authority’s CaliforniaFIRST program.

FISCAL SUMMARY

	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Expenditures			
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

There are no fiscal impacts related to this action.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

There are no staffing impacts related to this action.

Attachments:

- Attachment 1: Resolution authorizing the Western Riverside Council of Governments' Greenworks Commercial Program to administer a third-party PACE financing project in unincorporated Sonoma County
- Attachment 2: WRCOG's JPA Agreement with Sonoma County 2017-06-22
- Attachment 3: California HERO Program Report 2019-04-01

Related Items "On File" with the Clerk of the Board:

None