



County of Sonoma

State of California

Date: April 30, 2019

Item Number: _____

Resolution Number: _____



4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California,
Declaring Its Intention To Expand The Sonoma County Energy Independence Program To
Finance Wildfire Safety Improvements Through The Use Of Contractual Assessments Pursuant
To Section 5899.4 Of The California Streets And Highways Code, And Setting A Public Hearing
Thereon**

Whereas, by Resolution No. 09-0184, adopted on March 3, 2009, the Board of Supervisors ("Board") declared its intention to establish the Sonoma County Energy Independence Program ("SCEIP") to finance the acquisition and construction or installation of distributed generation renewable energy sources and energy efficiency improvements, which include water efficiency improvements (the "Improvements"), on or in properties in the County through contractual assessments pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code, commencing with Section 5898.10 ("Chapter 29"), directed the Sonoma County Auditor-Controller-Treasurer-Tax Collector ("Program Administrator") to prepare and file a report ("SCEIP Report") with the Board containing all the information described in Section 5898.22 of California Streets and Highways Code, and provided that bonds may be issued pursuant to the provisions of Chapter 29 or, in cooperation with the Sonoma County Public Financing Authority (the "Authority"), pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended (the "JPA Act"), including the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the JPA Act, as it may be amended from time to time; and

Whereas, following notice duly given in accordance with law, on March 24, 2009, the Board held a public hearing regarding SCEIP as described in the SCEIP Report; and

Whereas, by Resolution No. 09-0271, adopted on March 25, 2009, the Board established SCEIP and authorized contractual assessments to be levied against properties in the County within the parameters of the SCEIP Report; and

Whereas, pursuant to SCEIP, the County may enter into contractual assessment agreements (each, an "Assessment Contract") with property owners whereby the

County will extend financing to such property owners for the construction or installation of Improvements on or in the owners' properties; and

Whereas, pursuant to the Assessment Contracts, the property owners who are parties to such agreements agree to repay the amounts disbursed to the owners under the Assessment Contracts through the levy of assessments by the County against the property owners' properties pursuant to Section 5898.30 of Chapter 29 (each, an "Assessment"); and

Whereas, the Governing Board of the Authority (the "Authority Board") pursuant to its Resolution 09-0359 (the "Initial Resolution of Issuance") authorized and issued contractual assessment revenue bonds under and pursuant to the JPA Act for the purpose of providing funds to make separate loans (a separate loan with respect to each series of bonds) to the County to make disbursements pursuant to the Assessment Contracts to property owners for the cost of Improvements; and

Whereas, the Initial Resolution of Issuance anticipated that the need may arise in the future, for the purpose of providing financing for SCEIP, for the Authority Board to adopt additional resolutions providing for the issuance and sale of additional series of contractual assessment revenue bonds under and pursuant to the JPA Act and approving as to form and authorizing the execution and delivery of loan agreements and bond purchase agreements in connection therewith (each, an "Additional Resolution of Issuance"); and

Whereas, following the establishment of SCEIP in 2009, the State Legislature adopted the Wildfire Safety Finance Act, codified as Section 5899.4 of the California Streets and Highways Code, effective January 1, 2019 and repealed January 1, 2029, which authorizes contractual assessment programs adopted under Chapter 29, like SCEIP, to finance the installation of wildfire safety improvements that are permanently fixed to existing residential, commercial, industrial, agricultural, or other real property located within Very High Fire Hazard Severity Zones designated in accordance with Section 51179 of the California Government Code ("Very High Fire Hazard Severity Zones"); and

WHEREAS, pursuant to Section 5899.4 of the California Streets and Highways Code, the Board proposes to expand SCEIP to finance the installation of wildfire safety improvements that are permanently fixed to existing residential, commercial, industrial, agricultural, or other real property located within Very High Fire Hazard Severity Zones.

Now, Therefore, Be It Resolved that the Board finds and declares all of the following:

1. The upfront cost of making residential, commercial, industrial, agricultural, or other real property more resistant to wildfire prevents many property owners from making these types of improvements, and therefore, to make wildfire

safety improvements more affordable and to increase the number of hardened properties within the County, it is necessary to expand SCEIP to allow for contractual assessments to finance the cost of wildfire safety improvements.

2. Most of California's largest wildfires have occurred within the past 30 years. Changing climate patterns have made California more vulnerable to wildfire, which poses a significant risk to the public's health, safety and welfare throughout the County. A public purpose will be served by promoting improvements to make real property located within Very High Fire Hazard Severity Zones resistant to fire because such improvements will aid in preventing the start of wildfires and reducing the speed and scale in which wildfires spread, thereby making the County more resilient to destructive wildfires like those that occurred in October 2017.
3. It is convenient, advantageous, and in the public interest to designate Very High Fire Hazard Severity Zones within unincorporated and incorporated areas of the County, as areas within which property owners may enter into contractual assessments through SCEIP to finance the installation of wildfire safety improvements, subject to the approval of the governing body of any incorporated city or town within such Very High Fire Hazard Severity Zones with respect to properties located within those jurisdictions.
4. The Program Administrator shall prepare and file with the Board an amended SCEIP Report, in compliance with Section 5898.22 of the California Streets and Highways Code, which, among other things, shall list the wildfire safety improvements that may be financed through SCEIP, which shall be consistent with the improvements identified under Section 5899.4 of the California Streets and Highways Code, and include, without limitation: replacing roofs, siding and decks with ignition-resistant building materials; installing dual-paned windows; and covering vents, gutters and chimneys.
5. The financing of wildfire safety improvements through SCEIP shall be consistent with the procedures previously established by this Board under Resolution Nos. 09-0184 and 09-0271, 09-0358, and 09-0360, and as described in the current SCEIP Report, including, without limitation, financing through bonds to be issued pursuant to the provisions of Chapter 29 or, in cooperation with the Authority, pursuant to the provisions of the JPA Act, as approved by the Authority Board under the Initial Resolution of Issuance and each Additional Resolution of Issuance.
6. Each Assessment Contract shall be conditioned on the project meeting certain eligibility requirements as may be amended from time to time, which currently include, but are not limited to, a determination that the project complies with SCEIP's project-to-value, assessment-to-value, and lien-to-value ratio

requirements, that the property owner is current on property taxes and any mortgage payments, and not in bankruptcy, that the property is not subject to involuntary liens, and any other requirements for determining a property owner's creditworthiness that may be imposed by law. It will be the responsibility of the property owner to contact the property owner's insurance provider to determine whether the wildfire safety improvement to be financed by the contractual assessment is covered by the property owner's insurance plan and whether that improvement will impact the insurance rate.

7. The Program Administrator shall determine and identify in the amended SCEIP Report what additional fees, if any, will be charged by the Auditor-Controller-Treasurer-Tax Collector of Sonoma County for incorporating the proposed contractual assessments on the tax roll.
8. The Board hereby calls a public hearing to be held on June 4, 2019 at 8:30 a.m., or as soon thereafter as feasible, in the Board of Supervisors Chambers, 575 Administration Drive, Santa Rosa, California, on the expansion of SCEIP to include wildfire safety improvements and the proposed amended SCEIP Report, at which time any interested person may appear and be heard and object to or inquire about the proposed expansion of SCEIP or the proposed amended SCEIP Report.
9. The Clerk of the Board is hereby directed to provide notice of the public hearing by publishing this Resolution once a week for two weeks, pursuant to Section 6066 of the California Government Code, in the Press Democrat, and the first publication shall not occur later than 20 days before the date of such hearing.

Supervisors:

Gorin:

Zane:

Gore:

Hopkins:

Rabbitt:

Ayes:

Noes:

Absent:

Abstain:

So Ordered.