



SUMMARY REPORT

Agenda Date: 9/17/2019

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): 1st

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 California Municipal Finance Authority Open PACE Program to finance renewable energy generation improvements.

Executive Summary:

The County's Energy and Sustainability Division (the "Division") of General Services has been contacted by California Municipal Finance Authority (CMFA), a joint powers authority of which the County is a member, with a request to allow one of its third-party, for profit commercial Property Assessed Clean Energy (PACE) administrators, BlueFlame PACE Services, LLC ("BlueFlame"), to finance renewable energy generation improvements at a new climate controlled storage facility owned by Vineburg Wine and Self Storage, LLC located at 1010 Napa Road, Sonoma. Because the County has not authorized CMFA's OpenPACE Program to date, Board authorization is required in order for BlueFlame to provide PACE financing for the improvements. The Board's authorization will be limited to the improvements at 1010 Napa Road. CMFA and BlueFlame 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, nor have any new PACE providers been authorized to finance projects in the unincorporated territory of the County.

On July 30, 2019, the Division was contacted by California Municipal Finance Authority (CMFA) with a request to allow one of their Commercial PACE administrators, BlueFlame PACE Services, LLC (BlueFlame) to finance renewable energy generation improvements at a new climate controlled storage facility owned by Vineburg Wine and Self Storage, LLC, located at 1010 Napa Road, Sonoma. In order for BlueFlame to provide PACE financing for the improvements, Board consent is required because the County has not authorized CMFA's

OpenPACE Program in unincorporated areas of the County. The County has been a member of the California Municipal Finance Authority joint powers authority since 2004. This authorization is limited to the 1010 Napa Road improvements and any future financings contemplated by CMFA's PACE administrators would require further Board consent. CMFA shares 50% of all issuance fees received for PACE bonds with the local nonprofits and with the municipality where the project is located. Twenty-five percent (25%) is given to the County's general fund, and twenty-five percent (25%) is given to a local nonprofit chosen by CMFA.

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	HERO		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:

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; and authorizing WRCOG and the California Statewide Communities Development Authority to accept applications from property owners, conduct contractual assessment proceedings, and levy contractual assessments within the unincorporated territory of

the County.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
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 California Municipal Finance Authority (CMFA)/BlueFlame PACE Services LLC to administer a third-party PACE financing project in unincorporated Sonoma County

Attachment 2 - CMFA JPA Agreement with Sonoma County 2004

Attachment 3 - CMFA Consumer Protection Policies 2018

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Related Items “On File” with the Clerk of the Board:

None