



# COUNTY OF SONOMA

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

## SUMMARY REPORT

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**Agenda Date:** 10/8/2019

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**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):** 4<sup>th</sup>

**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 Statewide Communities Development Authority Open PACE Program to finance energy efficiency, water conservation, and seismic strengthening improvements. (Fourth District)

**Executive Summary:**

The County's Energy and Sustainability Division (the "Division") of General Services has been contacted by California Statewide Communities Development Authority (CSCDA), 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, CleanFund Commercial PACE Capital ("CleanFund"), 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. Given that the County has not authorized CSCDA's OpenPACE Program to date, Board authorization is required in order for CleanFund to provide PACE financing for the improvements. The Board's authorization will be limited to the improvements at 4732 Old Redwood Highway. CSCDA and CleanFund 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 August 16, 2019, the Division was contacted by California Statewide Communities Development Authority (CSCDA) with a request to allow one of their Commercial PACE administrators, CleanFund Commercial PACE Capital (“CleanFund”) 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 CleanFund to provide PACE financing for the improvements, Board consent is required because the County has not authorized CSCDA’s OpenPACE Program in unincorporated areas of the County. The County has been a program participant with the California Statewide Communities Development Authority JPA since 1988. This authorization is limited to the 4732 Old Redwood Highway improvements and any future financings contemplated by CSCDA’s PACE administrators would 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	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:**

9/27/2019 – 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; 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**

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

**Narrative Explanation of Fiscal Impacts:**

There are no fiscal impacts related to this action.

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

**Narrative Explanation of Staffing Impacts (If Required):**

There are no staffing impacts related to this action.

**Attachments:**

Attachment 1 – Resolution authorizing California Statewide Communities Development Authority (CSCDA) / CleanFund Commercial PACE Capital to administer a third-party PACE financing project in unincorporated Sonoma County

Attachment 2 – CSCDA JPA Agreement with Sonoma County 1988

Attachment 3 – CSCDA Consumer Protection Policies 2017

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

None