



## Legislation Details (With Text)

**File #:** 2019-0575  
**Type:** Consent Calendar Item      **Status:** Agenda Ready  
**File created:** 4/16/2019      **In control:** Auditor-Controller-Treasurer-Tax Collector  
**On agenda:** 4/30/2019      **Final action:**  
**Title:** Expand the Sonoma County Energy Independence Program to Allow for Seismic and Wildfire Safety Improvements  
**Sponsors:** Auditor-Controller-Treasurer-Tax Collector  
**Indexes:**  
**Attachments:** 1. Summary Report.pdf, 2. Attachment 1: Resolution of Intention - Fire Hardening.pdf, 3. Attachment 2: Resolution of Intention - Seismic.pdf

| Date      | Ver. | Action By            | Action                  | Result |
|-----------|------|----------------------|-------------------------|--------|
| 4/30/2019 | 1    | Board of Supervisors | Approved as recommended | Pass   |

**To:** Sonoma County Board of Supervisors  
**Department or Agency Name(s):** Auditor-Controller-Treasurer-Tax Collector  
**Staff Name and Phone Number:** Erick Roeser, (707) 565-3285  
**Vote Requirement:** Majority  
**Supervisory District(s):** All

**Title:**  
Expand the Sonoma County Energy Independence Program to Allow for Seismic and Wildfire Safety Improvements

**Recommended Actions:**  
Adopt two Resolutions of Intention to set a time and date to hold a hearing to expand the Sonoma County Energy Independence Program

**Executive Summary:**  
The upfront cost of making residential, commercial, industrial, agricultural, or other real property more resistant to seismic and wildfire events prevents many property owners from making these types of improvements. Expansion of the Sonoma County Energy Independence Program financing allows property owners an option to make seismic and wildfire safety improvements more affordable and to increase the number of hardened properties within the County.

**Discussion:**  
On July 21st, 2008, the Governor signed AB 811 (Levine) as an urgency measure, amending Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code to provide California counties and cities with a new way to help property owners finance energy improvements. Specifically, AB 811 authorized the establishment of contractual assessment programs in order to finance the installation of solar panels and other energy efficiency improvements that are permanently fixed to real property. Participation is voluntary and property owners who participate install improvements and pay the assessment on their property tax bills over time.

From the County's perspective, the Sonoma County Energy Independence Program (SCEIP) is a key element in

achieving greenhouse gas reduction and water conservation goals. SCEIP provides a significant tool for funneling more resources into the shift to greater efficiency and renewable energy. Lower energy use translates directly into reduced greenhouse gas emissions and helps secure our energy future. Reducing water use helps conserve our finite water supply and saves even more energy. In addition, the Program creates or retains jobs in the building industry.

Since the Program began in March 2009, it has expanded from allowing only energy efficiency, water conservation, and renewable energy improvements to existing buildings. As statewide legislation allows for PACE financing to cover other improvements, your Board may evaluate whether the expansion is needed for the County. Previous amendments to the Program include installation of energy efficiency, water conservation, and renewable energy improvements in new construction to address the housing crisis and rebuild properties.

In 2018, the State Legislature adopted the Wildfire Safety Finance Act (SB 465), codified as Section 5899.4 of the California Streets and Highways Code, effective January 1, 2019, which authorizes contractual assessment programs, 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 Cal Fire's Very High Fire Hazard Severity Zones ("VHFHSZ").

Previously, in 2011, the State Legislature adopted the Seismic Safety Finance Act (AB 184), codified as Section 5899 of the California Streets and Highways Code, effective January 1, 2012, which authorizes contractual assessment programs, like SCEIP, to finance the installation of seismic strengthening improvements that are permanently fixed to residential, commercial, industrial, agricultural, or other real property.

Expanding SCEIP to allow property owners to finance wildfire safety improvements and seismic strengthening improvements will increase the number of hardened homes in Sonoma County and make the County more resilient to wildfires and seismic events.

To allow these types of improvements, the Board must adopt Resolutions of Intention to expand SCEIP, give notice of a public hearing, and then hold a hearing to formally expand the Program. The Resolutions of Intention declare the intent of the Board of Supervisors to finance the additional Improvements through the use of contractual assessments in accordance with established State law. The Resolutions of Intention also do the following:

- Designate the area within which the County will make the Program available to property owners. For seismic strengthening, this includes all land within the defined boundaries of the County, and for wildfire safety, this includes all land within the VHFHSZ. Both types of improvements will be available in applicable incorporated areas, subject to the consent, by resolution, of any city or town governing body. In Sonoma County, the VHFHSZ is primarily in the unincorporated area and includes small portions of the City of Santa Rosa and the City of Cloverdale.
- Identify generally the kinds of wildfire safety and seismic strengthening improvements that may be eligible under the Program. Wildfire safety improvements will include replacing roofs, siding and decks with ignition-resistant building materials; installing dual-paned windows; and covering vents, gutters and chimneys. Seismic strengthening improvements will include bracing, bolting, and wrapping utilizing materials and techniques that meet standards for seismic strengthening established under the California Building Code.
- Describe generally the proposed arrangements for financing the Program.

- Call a public hearing to be held on June 4, 2019 at 8:30 a.m., or as soon thereafter as feasible, at which time interested persons may object to or inquire about the proposed Program expansion.
- Direct the Program Administrator (Auditor-Controller-Treasurer-Tax Collector) to prepare, or have prepared, the revised Program Report required under State law.

The second step required for adoption of the Program expansion is a public hearing, at which time the specifics of the expanded Program will be presented and interested parties may be heard. Prior to the public hearing, the Program Administrator will file with the Board an amended Program Report and Administrative Guidelines document. If the Board elects to proceed with the expansion, it must adopt a resolution authorizing the expansion and confirming the amended report.

The last step to expand SCEIP to include seismic and wildfire safety improvements is a validation action, as was previously done when the Program was initially adopted. Through the validation action, SCEIP will seek a judgment from the superior court which will validate the expansion of SCEIP and any future bonds that are secured by the income stream from the financing of wildfire and seismic improvements. A typical validation action may take between three and four months to complete and will cost approximately \$25,000 in legal services, which will be funded by assessment revenues.

Staff is developing a SCEIP Business Plan and will provide this Plan to the Board of Supervisors at the earliest opportunity.

**Prior Board Actions:**

Most recent actions include:

3/19/19 - Sonoma County Energy Independence Program bond authorization and investment.

9/18/18 - Sonoma County Energy Independence Program bond authorization and investment and interest rate determination.

6/11/18 - Sonoma County Energy Independence Program Implementation of California State Assembly Bill 1883 Allowing New Owner-Occupied Construction Assessments

5/22/18 - Sonoma County Energy Independence Program Service Contract Extensions

3/13/18 - Sonoma County Energy Independence Program bond authorization and investment.

9/19/17 - Sonoma County Energy Independence Program bond authorization and investment and interest rate determination.

**FISCAL SUMMARY**

| <b>Expenditures</b>                | <b>FY 18-19<br/>Adopted</b> | <b>FY19-20<br/>Projected</b> | <b>FY 20-21<br/>Projected</b> |
|------------------------------------|-----------------------------|------------------------------|-------------------------------|
| Budgeted Expenses                  | 25,000                      |                              |                               |
| Additional Appropriation Requested |                             |                              |                               |
| <b>Total Expenditures</b>          | <b>25,000</b>               |                              |                               |
| <b>Funding Sources</b>             |                             |                              |                               |
| General Fund/WA GF                 |                             |                              |                               |
| State/Federal                      |                             |                              |                               |
| Fees/Other                         | 25,000                      |                              |                               |
| Use of Fund Balance                |                             |                              |                               |

|                      |               |  |  |
|----------------------|---------------|--|--|
| Contingencies        |               |  |  |
| <b>Total Sources</b> | <b>25,000</b> |  |  |

**Narrative Explanation of Fiscal Impacts:**

Sonoma County Energy Independence Program is funded through a special assessment fund and does not utilize General Fund dollars.

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

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

None.

**Attachments:**

Attachment 1: Resolution of Intention - Fire Hardening

Attachment 2: Resolution of Intention - Seismic

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

None.