

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: GLORIA HURTADO, DEPUTY CITY MANAGER  
CITY MANAGER'S OFFICE  
TASHA WRIGHT, ENERGY AND SUSTAINABILITY  
COORDINATOR  
SANTA ROSA WATER  
SUBJECT: SONOMA COUNTY PROPERTY ASSESSED CLEAN ENERGY  
(PACE) FINANCING MARKETPLACE

AGENDA ACTION: STUDY SESSION

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RECOMMENDATION

Item is provided for Council's information and no action will be taken.

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EXECUTIVE SUMMARY

The City of Santa Rosa set a greenhouse gas (GHG) target to reduce emissions to 25 percent below 1990 levels by 2015. Installation of water and energy efficiency improvements is one of many ways to reduce GHG emissions.

In 2009, the City Council authorized the City's participation in the Sonoma County Energy Independence Program (SCEIP), which is the County's Property Assessed Clean Energy (PACE) financing program. SCEIP allows for property owners to install distributed generation, renewable energy sources and energy efficiency improvements through contractual assessments that are paid back through the property tax bill process. Since SCEIP was initiated, additional financing options have become available.

In 2014, Sonoma County created the Sonoma County PACE Financing Marketplace (PACE Marketplace) expanding the financing options available to property owners. The PACE Marketplace integrates additional financing options from the CaliforniaFIRST, California HERO and Figtree Financing programs into the region for water and energy efficiency upgrades and the installation of renewable energy. City staff will present an overview of the Sonoma County PACE Marketplace.

The PACE Marketplace relates to Council Goal 3: Provide Leadership for Environmental Initiatives. The PACE Marketplace provides funding options for property owners to

install water and energy efficiency improvements that will assist the City in progressing toward its GHG reduction targets.

## BACKGROUND

In 2005, the City of Santa Rosa joined the other nine local governments within Sonoma County and set a mutual GHG target to reduce emissions to 25 percent below 1990 levels by 2015, one of the most aggressive targets in the country.

In addition to the 2005 target, other pertinent actions have been taken at the State level to address GHG reductions, which include:

- EXECUTIVE ORDER S-3-05: by 2010, reduce GHG emissions to 2000 levels; by 2020, reduce GHG emissions to 1990 levels; by 2050, reduce GHG emissions to 80 percent below 1990 levels (6/1/05)
- ASSEMBLY BILL No. 32 reduce GHG emissions to 1990 levels by 2020 (8/27/06)
- EXECUTIVE ORDER B-30-15: reduce GHG emissions 40 percent below 1990 levels by 2030 (4/29/15)

On April 14, 2009, City Council adopted Resolution No. 27342, allowing property owners within the City's jurisdiction to participate in SCEIP. SCEIP financing allows property owners in the County to acquire and construct or install distributed generation, renewable energy sources and water and energy efficiency improvements through contractual assessments paid back through property taxes.

In November 2014, the County of Sonoma developed the Sonoma County PACE Marketplace to promote the effectiveness and sustainability of PACE financing in the region by expanding the options available to property owners. The PACE Marketplace integrates additional financing options from the CaliforniaFIRST, California HERO and Figtree Financing into the region for water and energy efficiency upgrades and the installation of renewable energy in addition to the financing option of SCEIP. The collaboration of PACE Marketplace members will leverage outreach efforts, expand opportunities for customer engagement, increase local contractor engagement, increase access to project impact data, and maximize program efficiency and effectiveness. Each of the PACE Marketplace members have entered into an Agreement for Collaborative Services with the County to achieve the speed and scale needed to reach community-wide goals for energy independence.

## PRIOR CITY COUNCIL REVIEW

On March 31, 2015, City Council adopted Resolution No. 28623 approving the Seventh Amendment to the cooperative agreement to participate in SCEIP for another ten (10) years.

## ANALYSIS

In November 2014, the County established the PACE Marketplace which offers additional financing programs with various products. The PACE Marketplace integrates additional financing options from the CaliforniaFIRST, California HERO and Figtree Financing. The PACE Marketplace is a unique collaborative structure to expand the number of program financing options available to property owners, increase the pace of retrofit and generation projects, reduce GHGs, and report of the benefits derived from the projects facilitated by the program. All CaliforniaFIRST, California HERO and Figtree Financing program administrative costs are included in the property owners' voluntary contractual assessment, which will be collected on the property owners' tax bills.

Council consideration for participation in the PACE Marketplace will include: joining two Joint Powers Authorities (JPAs), approving indemnification agreements with the Program Administrators and approving participation in the programs. Consideration of authorizing PACE Marketplace members to offer financing projects within Santa Rosa would occur at a future Council meeting.

## FISCAL IMPACT

No action is being taken, therefore there is no fiscal impact from the Study Session.

## ENVIRONMENTAL IMPACT

The action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378

## BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

## NOTIFICATION

Not applicable

## ATTACHMENTS

- Attachment 1 – Resolution No. 27342
- Attachment 2 - Resolution No. 28623

## CONTACT

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