

RESOLUTION NO. 2009-617

Adopted by the Sacramento City Council

September 29, 2009

INTENTION TO ESTABLISH A CONTRACTUAL-ASSESSMENT PROGRAM TO FINANCE ENERGY-EFFICIENCY IMPROVEMENTS AND DISTRIBUTED-GENERATION RENEWABLE-ENERGY SOURCES

BACKGROUND

- A. In accordance with chapter 29 of part 3 of division 7 in the California Streets and Highways Code (the "Act"), the City Council proposes to establish a contractual-assessment program to assist property owners with financing the cost of improvements that are permanently affixed to their property.
- B. Energy-conservation efforts, including the promotion of energy-efficiency improvements to residential, commercial, industrial, or other real property, are necessary to address the issue of global climate change.
- C. The upfront cost of making residential, commercial, industrial, or other real property more energy efficient prevents many property owners from making those improvements.
- D. To make those improvements more affordable and to promote the installation of those improvements and the installation of distributed-generation renewable-energy sources, the Act provides an alternative procedure for authorizing assessments.
- E. The contractual-assessment program will serve a public purpose by authorizing the City Council to finance the installation of energy-efficiency improvements and distributed-generation renewable-energy sources that are permanently fixed to residential, commercial, industrial, or other real property.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. It is convenient, advantageous, and in the public interest to designate the entire City as an area within which authorized City officials and property owners may enter into contractual assessments in accordance with the Act to finance energy-efficiency improvements and distributed-generation renewable-energy sources that are permanently fixed to residential, commercial, industrial, or other real property.
- Section 2. The City Council proposes to make contractual-assessment financing available to the owners of property in the City to finance energy-efficiency improvements and distributed-generation renewable-energy sources that are permanently fixed to real property.

Section 3. Contractual-assessment financing may be available for the following types of energy-efficiency improvements and distributed-generation renewable-energy sources so long as they are permanently affixed to real property:

- a. Acquisition and installation of weather-stripping of doors, windows, and other openings.
- b. Acquisition and installation of upgraded floor, wall, or roof insulation.
- c. Acquisition and installation of complete building-envelope sealing.
- d. Acquisition and installation of energy-efficient toilets and landscape-irrigation controllers.
- e. Acquisition and installation of high-efficiency windows and doors.
- f. Acquisition and installation of radiant barriers.
- g. Acquisition and installation of high-efficiency HVAC systems and HVAC system sealing.
- h. Acquisition and installation of duct sealing of existing HVAC systems.
- i. Acquisition and installation of high-efficiency water heating systems.
- j. Replace existing roofing with cool roofing material.
- k. Acquisition and installation of photovoltaic systems.
- l. Acquisition and installation of wind-generation systems.
- m. Acquisition and installation of ground-source heat pumps.
- n. Acquisition and installation of solar hot-water systems (domestic hot water, space heating, pool and spa heating).
- o. Acquisition and installation of any new technology that improves energy efficiency or is a distributed-renewable energy-generation source.
- p. All permits, energy audits, and any related incidental expenses for the acquisition and installation of the above-listed improvements are eligible for funding from contractual-assessment financing, included with the cost of installation.

Section 4. The boundaries of the area within which contractual assessments may be entered into are coterminous with boundaries of the City.

Section 5. The proposed arrangements for financing the contractual-assessment program include but are not limited to initial funding from the following sources: the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant Program; the California Energy Commission's State Energy Program; assessment bonds the City issues in accordance with the Act; and loans to the City that will be repaid by the contractual-assessment program.

Section 6. On or before the public hearing described below in section 8, the City Manager or his designee shall do both of the following:

- a. Enter into consultations with the County Auditor's Office or the County Controller's Office to reach agreement on what additional fees, if any, will be charged to the City for incorporating the proposed contractual assessments into the assessments of the general taxes of the City on real property.
- b. File with the City Clerk, for delivery to the City Council, a program report prepared in accordance with section 5898.22 of the Act (the "Program Report"). The Program Report shall contain all of the following:
 1. A map showing the boundaries of the territory within which contractual assessments are proposed to be offered.
 2. A draft contract specifying the terms and conditions that would be agreed to by a property owner within the contractual assessment area and the City.
 3. A statement of City policies concerning contractual assessments, including all of the following:
 - A. Identification of types of energy-efficiency improvements or distributed-generation renewable-energy sources that may be financed through the use of contractual assessments.
 - B. Identification of a City official authorized to enter into contractual assessments on behalf of the City.
 - C. A maximum aggregate dollar amount of contractual assessments.
 - D. A method for setting requests from property owners for financing through contractual assessments in priority order if requests appear likely to exceed the authorized amount.
 4. A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan (A) may include any source; (B) may include the sale of a bond or bonds or other financing relationship pursuant to section 5895.22 of the Act; (C) must include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment; (D) must provide for any reserve fund or funds; and (E) must provide for the apportionment of all or any costs incidental to financing, administration, and collection of the contractual-assessment program among the consenting property owners and the City.
 5. A report on the results of the consultations with the County Auditor's Office or the County Controller's Office concerning the additional fees, if any, that will be charged to the City for incorporating the proposed contractual assessments into the assessments of the general taxes of the City on real property, and a plan for financing the payment of those fees.

Section 7. Notice is hereby given that at 6:00 p.m. on January 12, 2010, in the Chamber of the Sacramento City Council, 915 I Street, Sacramento, California, the City Council will hold a public hearing at which interested persons may inquire about, or object to, the proposed contractual-assessment program or any of its particulars.

Section 8. The City Clerk is hereby directed to publish a notice of the hearing in accordance with section 5898.24 of the Act. The notice must include the date, time, and place of the hearing; must briefly describe the proposed contractual-assessment program; and must explain that interested persons may appear at the hearing and comment upon, object, or present evidence with regard to the proposed program, the extent of the area to be included within the program, the terms and conditions of the draft contract contained in the Program Report, and the proposed financing provisions of the program.

Adopted by the City of Sacramento City Council on September 29, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

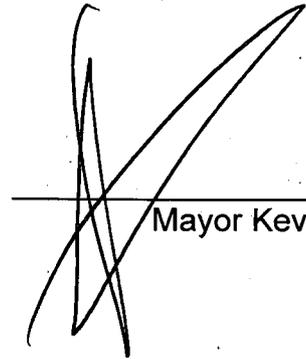
Noes: None.

Abstain: None.

Absent: None.

Attest:


Shirley Concolino, City Clerk


Mayor Kevin Johnson