

RESOLUTION NO. 2010-017

Adopted by the Sacramento City Council

January 12, 2010

AUTHORIZING THE COUNTY OF SACRAMENTO TO APPLY FOR STATE ENERGY PROGRAM FUNDS ON BEHALF OF THE CITY OF SACRAMENTO

BACKGROUND

- A. The City recognizes that it is in the interest of the regional, state, and national economy to stimulate the economy; create and retain jobs; reduce fossil fuel emissions; and reduce total energy usage and improve energy efficiency within our jurisdiction.
- B. State Energy Program (SEP) funds are available through the California Energy Commission for grants to eligible local governments for energy efficiency, energy conservation, renewable energy, and other energy related projects and activities authorized by the American Recovery and Reinvestment Act of 2009 (ARRA).
- C. SEP allows for cities, counties, or groups of cities and counties in California to apply for SEP funds on behalf of eligible local governments.
- D. The City is eligible for funding under the California Energy Commission's SEP.
- E. The City is proposing to collaborate with the County of Sacramento to implement a program for financing the energy efficiency, energy conservation, renewable energy, and other energy related projects and activities authorized by ARRA, which program is described in Exhibit A for the purpose of qualifying for SEP funds from the California Energy Commission.
- F. The City has considered the application of the California Environmental Quality Act (CEQA) to the approval of the program for financing energy efficiency, energy conservation, renewable energy, and other energy related projects and activities authorized by ARRA described in Exhibit A.

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

- Section 1. In compliance with CEQA, City Council finds that the approval of the program for financing energy efficiency, energy conservation, renewable energy, and other energy related projects and activities authorized by ARRA described in Exhibit A is not a "project" under CEQA, because the program does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)).

Section 2. City Council authorizes the County of Sacramento to apply for up to \$1.3 million in State Energy Program funding for Assembly Bill 811 projects on behalf of the City.

Section 3. If recommended for funding, City Council authorizes the County of Sacramento to accept a grant award on its behalf and to enter into all necessary contracts and agreements, and amendments thereto, on its behalf to implement and carry out the program for financing the projects described in Exhibit A.

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Exhibit A: Collaborative Proposal Summary

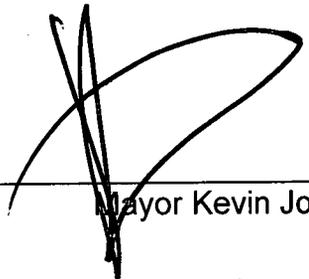
Adopted by the City of Sacramento City Council on January 12, 2009 by the following vote:

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

Noes: None.

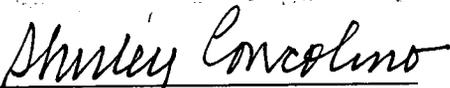
Abstain: None.

Absent: None.



Mayor Kevin Johnson

Attest:



Shirley Concolino, City Clerk

California Energy Commission State Energy Program
 CaliforniaFIRST Collaborative Proposal
 Summary of Proposal Scope & Budget Framework

Description of Program Proposal

Under the lead applicant, Sacramento County, the 14 counties eligible to participate in the pilot stage of the CaliforniaFIRST Program are collaborating on a proposal to the California Energy Commission State Energy Program for a grant of up to \$16.5 million. The grant funds will be used to offset initial fees associated with bond issuance, start-up costs for the 14 counties and all incorporated cities, an interest rate buy-down, local marketing/education/training/outreach, local coordination, and grant administration to support the launch of the CaliforniaFIRST municipal financing program.

CaliforniaFIRST Program County Participants and Proposal Collaborators

- | | | | |
|------------|-------------------|---------------|-----------|
| ✓ Alameda | ✓ Sacramento | ✓ San Mateo | ✓ Ventura |
| ✓ Fresno | ✓ San Benito | ✓ Santa Clara | ✓ Yolo |
| ✓ Kern | ✓ San Diego | ✓ Santa Cruz | |
| ✓ Monterey | ✓ San Luis Obispo | ✓ Solano | |

Budget Basics

1. CaliforniaFIRST financing costs and fees (~\$6M)

Guided by California Communities and the CaliforniaFIRST Program Administrator Renewable Funding, this program element will:

- buy-down the interest rate on the initial round(s) of projects financed by the CaliforniaFIRST Program,
- cover fixed costs associated with initial bond counsel, bond disclosure, fiscal agent and bond rating,
- cover legal and validation costs, and
- cover the deployment of technology (web portal) to support local programs.

2. Grant/Contract Administration & Steering Committee Liaison: (~\$2.0M)

On behalf of the applicant agency, grant/contractor administration duties include gathering relevant reporting information from all partner jurisdictions and CaliforniaFIRST, financial oversight and invoicing, contract administration, tracking, monitoring, and oversight of deliverables. In addition, the grant administrator will serve as the partner liaison between all participating steering committees to maintain coordination and consistency on the local marketing efforts between parties as well as provide marketing and contract technical assistance, training, and advice to participating agencies. The Grant Administrator will also coordinate local efforts with those programs funded under the California Comprehensive Residential Building Retrofit Program.

3. Regional Program Coordination & Marketing: (~\$8.0M)

In line with the overall project goals, funding has been budgeted on a regional basis to each of the six primary program regions in the following amounts, based on total number of Counties:

- Capitol Region (Sacramento/Yolo): \$1,300,000
- Central Valley Region (Fresno/Kern): \$1,150,000
- Bay Area Region: (Alameda/San Mateo/Santa Clara/Solano): \$2,300,000
- North Central Coast Region: (Monterey/Santa Cruz/San Benito): \$1,725,000
- South Central Coast Region: (Ventura/San Luis Obispo): \$1,150,000
- Southern California Region: (San Diego): \$575,000

This final program element serves to provide each region with the resources necessary to help facilitate the rapid adoption of energy efficiency and renewable energy generation system installations throughout the target area by connecting property owners to any and all available on-the-ground or proposed resources, and services, providing a streamlined framework for easy navigation, reduced out-of-pocket expenses, and overall increased cost effectiveness for both participants and the program overall. The focus of the program will be to create region-wide (or county-wide, where appropriate) cooperative project design, implementation, marketing, and

coordination to maximize economies of scale, take advantage of overlapping markets, and ultimately allow each dollar to go further to benefit all parties.

Financing Costs and Fees

A. Financing Costs

As Program Administrator of the California Communities CaliforniaFIRST Program, Renewable Funding will coordinate and provide program administration, financing, and legal services to support a robust statewide municipal financing program. Specific financing costs are concentrated at the start of the program and result in increased fees to a program participant, and therefore a higher effective interest rate. In order to lower the interest rate, the SEP funds will be used to cover bond disclosure counsel, bond rating fees, and a bond fiscal agent. In addition, a direct interest rate buy-down will be employed to achieve a bond rate that is equivalent to an A-rated bond, which is likely to be the bond rating later in the program.

B. Set-up Fees

A funding request equivalent to the city and county set-up fees will be included in the proposal. The costs for initial legal work and validation proceedings will be covered by this request. Additionally, the costs of establishing county web portals, importing local assessor's data, and maintaining the website will be part of this funding request.

Suggested Major Marketing Program Coordination & Marketing Program Elements

A. Agency Coordination / Steering Committee Participation

In recognition of the additional coordination time required to get new programs off the ground, individual counties may elect to include a modest amount of staff time for agency representatives to participate in the program steering committee and other activities to drive marketing program design, educational/marketing material development, form and protocol development, etc. By investing this time at the onset, we are able to develop a self-sustaining program for the long term. County agencies (that is, auditor/tax collector/controller) will receive a small percentage, incorporated into each loan, to cover regular ongoing program administration costs associated with maintaining the tax roll and collecting annual assessments in years beyond the grant term. Some jurisdictions may instead wish to contribute this time as project leveraged funds/resources to increase overall program cost effectiveness based on their individual needs and resources. Regional partnership may also elect to use a portion of the resources from this program element toward informal or formalized staff/personnel training within their jurisdictions.

B. Education / Outreach/ Marketing

Successful program adoption requires thoughtful design, convenient procedures, and a robust program education component to encourage and energize program participation. Achieving this goal, the project team will create clear, consistent, and thematic program branding imagery, educational and recruitment tools such as program brochures. The program will be supported by the CaliforniaFIRST web portal and links to new and existing partner and complementary websites, frequently asked questions, applications, and/or other program materials. In addition, the project will engage a wide-stretching network of partners to promote, recruit, and disseminate program information utilizing existing mechanisms of door-to-door outreach, community event tabling, workshops and presentations, or other appropriate energy efficiency and complementary program participation activities. Major elements might include:

- ✓ Outreach Promotional Materials: Brochures, Door-hangers, Postcard Mailers, Bill Inserts, etc.
- ✓ Program Marketing Advertisements: Print Ads, Radio/TV Ads, PSA Production
- ✓ Promotional Outreach Events, Trade Shows or Community Workshops
- ✓ Homeowner/Business/Contractor/Staff Training Seminars
- ✓ Sustainability Site Signage
- ✓ Green Building and/or LEED Certification Technical Assistance

C. Community Coordinator / Partner Liaison / Supplies

The community coordinator is envisioned to serve as the single point regional program coordinator to unify, inform, collaborate, and engage all program parties in relation to local coordination and marketing efforts; respond to public inquiries; facilitate the education, outreach, marketing, recruitment; and promote program adoption by the target community. In addition the coordinator is responsible for coordinating with the grant

administrator, tracking/reporting necessary progress and metrics, meeting/exceeding grant milestones and targets, incorporating required complementary program components, and working with CaliforniaFIRST to assure QA/QC measures are applied to all participating properties. Specific tasks will be driven by the overall project goals as well as the specific needs of each region and may include:

- ✓ **Coordination** with Grant Administrator/Steering Committee Liaison
- ✓ **Marketing Coordination** with CaliforniaFIRST Municipal Finance District
- ✓ **Facilitation** of local Regional Steering Committee Members and Partners
- ✓ **Assist** with Implementation Strategy, Documents, Procedures & Protocols Development
- ✓ **Guide** Promotion, Marketing, Education, Recruitment & Program Information Dissemination
- ✓ **Link** Program Participants to Regional Energy Efficiency & Complementary Programs
- ✓ **Connect** to Concurrent Complementary Workforce Development Training/Graduates
- ✓ **Administer** Regional Program Budget, Competitive Bidding, Other Program Transparency Reqs
- ✓ **Track** and/or compile, Monitor & Evaluate Program Progress, Energy Savings, GHG Reductions Achieved, Partner Leveraged Funds and Ancillary Environmental Benefits

Sample County Budget

A sample budget based on the above framework is provided below. Please note that these amounts are subject to change based on the actual needs of each participating jurisdiction as well as feedback obtained regarding funder and partner thresholds for competitiveness.

<i>Component</i>	<i>% Overall</i>	<i>Gross Benefit Per County</i>	<i>Net Benefit Per County</i>
1. CaliforniaFIRST Costs & Fees	39%	\$ 428,571.43	-
2. Grant Administration & Technical Assistance	10%	\$ 107,142.86	-
3A. Steering Advisory Committee	10%	\$ 115,000.00	\$ 115,000.00
3B. Education, Outreach, Incentives, Marketing	23%	\$ 258,750.00	\$ 258,750.00
3C. Community Coordination	18%	\$ 201,250.00	\$ 201,250.00
Total	100%	\$ 1,110,714.29	\$ 575,000.00

Grant Development Team:

- **County of Sacramento**—Lead Agency (Applicant), will oversee grant writing, provide final edits and required signatures, and submit finalized proposal on behalf of entire collaborative team based on the approved proposed program scope and budget framework
- **Ecology Action**—Partner Grant Writer (Lead on Marketing), will develop narrative based on proposed program scope and budget framework, especially as it pertains to local coordination and marketing project administration, marketing/contract technical assistance, regional coordination, and marketing, to meet all grant requirements and maximize proposal competitiveness.
- **Renewable Funding**—Partner Grant Writer (Lead on Finance), will develop narrative based on proposed program scope and budget framework, especially for CaliforniaFIRST Program finance-related program elements, to meet all grant requirements and maximize proposal competitiveness.