

NOTICE AND AGENDA

**SPECIAL MEETING – TUESDAY, JANUARY 12, 2010
CITY HALL – 500 CASTRO STREET
5:00 P.M.—CLOSED SESSION
6:30 P.M.—REGULAR SESSION**

5:00 P.M.—CLOSED SESSION (TO BE HELD IN THE PLAZA CONFERENCE ROOM)

- 1. CLOSED SESSION ANNOUNCEMENT (OPEN SESSION)**
- 2. CLOSED SESSION**
 - 2.1 Conference with Real Property Negotiator (§54956.8)—Property: 7.94 Acres of City-owned Real Property Commonly Referred to as Charleston East, Located Between Amphitheatre Parkway, Charleston Road and Shoreline Boulevard; APN 116-21-049—Agency Negotiator: Ellis Berns, Economic Development Manager—Negotiating Parties: City of Mountain View and Robert Green, the Robert Green Company—Under Negotiation: Price and Terms of Payment for Ground Lease**
 - 2.2 Conference with Labor Negotiators (§54957.6)—Agency Designated Representative: City of Mountain View Assistant City Manager/Interim Employee Services Director Nadine Levin—Employee Organization: Service Employees International Union (SEIU), Local 521**

6:30 P.M.—REGULAR SESSION (TO BE HELD IN THE COUNCIL CHAMBERS)

- 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL—Councilmembers Abe-Koga, Inks, Kasperzak, Macias, Means, Vice Mayor Siegel and Mayor Bryant.**
- 3. PRESENTATIONS**
 - 3.1 Presentation from Chuck Page, League of California Cities.**
 - 3.2 Resolution of Appreciation to Laura Brown for her contributions to the Environmental Planning Commission and the community.**

- 3.3 Resolution of Appreciation to Robert Chang for his contributions to the Environmental Planning Commission and the community.
- 3.4 National Blood Donor Month Proclamation to be accepted by American Red Cross Donor Recruitment Account Manager Mona Helmhold.

4. **CONSENT CALENDAR**

These items will be approved by one motion by roll call vote unless any member of the Council or audience wishes to remove an item for discussion. The reading of the full text of ordinances and resolutions will be waived unless a Councilmember requests otherwise.

4.1 **APPROVAL OF MINUTES**—Approve minutes for the City Council Special Meeting of October 6, 2009.

4.2 **Ordinance No. _____—ADOPTION OF ORDINANCE AMENDMENT RELATED TO THE TRANSIT ZONE DISTRICT (SECOND READING)**—Adopt AN ORDINANCE AMENDING CHAPTER 36 OF THE CITY CODE RELATED TO A MINOR TEXT AMENDMENT TO THE TRANSIT ZONE DISTRICT. (First reading: 7-0)

4.3 **Ordinance No. _____—ORDINANCE IMPLEMENTING CODE COMPLIANCE INSPECTION PERMIT (SECOND READING)**—Adopt AN ORDINANCE ADDING ARTICLE V TO CHAPTER 25 OF THE CITY CODE, IMPLEMENTING A CODE COMPLIANCE INSPECTION PERMIT. (First reading: 6-1; Inks no)

4.4 **Resolution No. _____—RESOLUTION OF APPRECIATION—LAURA BROWN, ENVIRONMENTAL PLANNING COMMISSIONER**—Adopt A RESOLUTION OF APPRECIATION TO LAURA BROWN FOR HER CONTRIBUTIONS TO THE ENVIRONMENTAL PLANNING COMMISSION AND THE COMMUNITY, to be read in title only, further reading waived.

4.5 **Resolution No. _____—RESOLUTION OF APPRECIATION—ROBERT CHANG, ENVIRONMENTAL PLANNING COMMISSIONER**—Adopt A RESOLUTION OF APPRECIATION TO ROBERT CHANG FOR HIS CONTRIBUTIONS TO THE ENVIRONMENTAL PLANNING COMMISSION AND THE COMMUNITY, to be read in title only, further reading waived.

4.6 **Resolution No. _____—RESOLUTION OF APPRECIATION—CONTRIBUTIONS OF KASANDRA WINDER, LIBRARY BOARD MEMBER**—Adopt A RESOLUTION OF APPRECIATION TO KASANDRA WINDER FOR

HER CONTRIBUTIONS TO THE LIBRARY BOARD OF TRUSTEES AND THE COMMUNITY, to be read in title only, further reading waived.

4.7 REJECT DEVELOPMENT PROPOSALS—CITY-OWNED BRYANT STREET PROPERTY (APN 158-11-033, 034, 035, 036, 037, 038, 039 AND 055)—Reject proposals for a mixed-use development project on a 1.45-acre City-owned property located on the west side of Bryant Street between California Street and Mercy Street.

4.8 Resolution No. ____—1079 MARILYN DRIVE, TRACT 9991—ACCEPT PUBLIC IMPROVEMENTS AND ADOPT A RESOLUTION VACATING AND ABANDONING PUBLIC UTILITY EASEMENT

1. Accept the public improvements installed by the developer at 1079 Marilyn Drive, Tract 9991, for maintenance throughout their useful lives.
2. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOUNTAIN VIEW VACATING AND ABANDONING AN EXCESS PORTION OF A PUBLIC UTILITY EASEMENT WITHIN TRACT MAP NO. 9991, A 30-UNIT RESIDENTIAL SUBDIVISION, to be read in title only, further reading waived (Attachment 1 to the staff report).

4.9 STIERLIN ROAD TO NORTH SHORELINE BOULEVARD SIDEWALK CONNECTOR, PROJECT 08-48—AWARD CONSTRUCTION CONTRACT—Award a construction contract to RP Engineering Contractors, Inc. of Los Gatos, California, for the low bid price of \$26,427, including a \$5,000 construction contingency.

4.10 NEW FIRE STATION NO. 5, PROJECT 03-23—AUTHORIZE ADVERTISING FOR RESPONSIBLE BIDDERS—Authorize advertising for determination of responsible bidders as the first phase of the bidding process for New Fire Station No. 5.

4.11 ADA CURB RAMPS, PROJECT 09-38—APPROPRIATE CDBG FUNDS

1. Appropriate and transfer \$53,000 in Community Development Block Grant (CDBG) funds from CDBG 2009-10 Pedestrian Improvements, Project 10-46, to ADA Curb Ramps, Project 09-38. (Five votes required)
2. Return and transfer \$53,000 from Project 09-38 to the Construction/Conveyance Tax Fund.

3. Authorize the City Manager to award a construction contract for Concrete Sidewalk and Curb Repairs, Project 09-06; ADA Curb Ramps, Project 09-38; and Cecilia Way Valley Gutter, Project 09-39, to the lowest bidder if the low bid is within the project budget.

4.12 APPOINTMENT TO DOWNTOWN COMMITTEE—Confirm the appointment of David Lewis III as the neighborhood association's representative to the Downtown Committee for the year 2010 as recommended by the Old Mountain View Neighborhood Association.

5. PUBLIC HEARING

5.1 Resolution No. _____, Resolution No. _____—RESOLUTION TO JOIN CALIFORNIAFIRST ENERGY EFFICIENCY, WATER EFFICIENCY AND RENEWABLE ENERGY FINANCING PROGRAM

Adopt two resolutions: (1) RESOLUTION AUTHORIZING THE CITY OF MOUNTAIN VIEW TO JOIN THE CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE CITY; AND AUTHORIZING RELATED ACTIONS; to be read in title only, further reading waived; and (2) RESOLUTION AUTHORIZING SACRAMENTO COUNTY AS THE LEAD COLLABORATIVE AGENCY TO APPLY FOR FUNDS ON BEHALF OF MOUNTAIN VIEW, to be read in title only, further reading waived.

6. ORAL COMMUNICATIONS FROM THE PUBLIC ON NONAGENDIZED ITEMS

This portion of the meeting is reserved for persons wishing to address the Council on any matter not on the agenda. Speakers are allowed to speak on any number of topics for one three-minute period during the meeting. State law prohibits the Council from acting on nonagenda items.

7. COUNCIL, STAFF/COMMITTEE REPORTS

No action will be taken on any questions raised by the Council at this time.

8. CLOSED SESSION REPORT (OPEN SESSION)

9. ADJOURNMENT

The next Regular Council Meeting will be held on Tuesday, January 26, 2010, at 6:30 p.m. in the Council Chambers, 500 Castro Street.

NOTICE

There is a 90-day limit for the filing of a challenge in Superior Court to certain City administrative decisions and orders which require a hearing by law, the receipt of evidence and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge an action taken by the City Council in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised in the public hearing, or in written correspondence delivered to the City Council prior to or at the public hearing. The City Council may be requested to reconsider a decision if the request is made prior to the next City Council meeting, regardless of whether it is a regular or special meeting. For information on the next regular or special City Council meeting, please call (650) 903-6304.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's Office, 500 Castro Street, Third Floor, during normal business hours and at the Council Chambers at City Hall, Second Floor, during the meeting. In addition, such writings and documents will be posted on the City's web site at www.mountainview.gov.

WW/7/CLK
429-01-12-10A^

COUNCIL MEETINGS AND AGENDA

- The City Council meets regularly on the second and fourth Tuesday of each month at 6:30 p.m. in the Council Chambers at City Hall, 500 Castro Street, Second Floor. Special meetings are called as necessary by the Mayor and noticed at least 24 hours in advance.
- Interested parties may review the agenda, minutes and staff reports at the Mountain View Library, 585 Franklin Street, beginning the Thursday evening before each meeting and at the City Clerk's Office, 500 Castro Street, Third Floor, beginning Friday morning. Agenda materials may also be viewed electronically at www.mountainview.gov. Staff reports are also available at the Council Chambers during the meeting.
- SPECIAL NOTICE—Reference: Americans with Disabilities Act, 1990. Anyone who is planning to attend the next City Council meeting who is visually or hearing-impaired or has any disability that needs special assistance should call the City Clerk's Office at 903-6304 48 hours in advance of the Council meeting to arrange for assistance. Upon request, in advance, by a person with a disability, City Council meeting agendas and writings distributed during the meeting that are public records will be made available in the appropriate alternative format. Also upon request, in advance, an assistive listening device can be made available for use during the meeting.
- The Council meetings are cablecast live on Channel 26 on the Mountain View Comcast cable system and are replayed on Wednesday at 6:30 p.m. and on Saturday at 11:00 a.m. following that week's Council meeting. If there is a live Environmental Planning Commission meeting on a Wednesday, the replay of the City Council meeting will be on a Thursday at 6:30 p.m. In addition, Council Regular meetings are webcasted, and interested persons may visit the City's web site at www.mountainview.gov to watch the meetings live on their computer, laptop or PDA device. Archived broadcasts of previous meetings may also be accessed and watched on-line.
- The Council may take action on any matter noticed herein, and their consideration and action on the matters noticed herein is not limited by the recommendations indicated in the Agenda or staff report(s). The Council may consider and act on items listed on the agenda in any order and thus all those interested in an item listed on the agenda are advised to be present throughout the meeting (see Policy and Procedure A-13). The reading of the full text of ordinances and resolutions will be waived unless a Councilmember requests otherwise.
- By policy, no new items of business will be started after 10:00 p.m., unless an exception is made by vote of the Council.
- The City Council meeting discs are made solely for the purpose of facilitating the preparation of the minutes of the meetings. The discs are available for members of the public to listen to during regular office hours in the City Clerk's Office and are recycled as necessary.

ADDRESSING THE COUNCIL

- Interested persons are entitled to speak on any action item listed on the agenda and are requested to fill out the blue cards available at the rear of the Council Chambers and deposit them with the clerk or at the podium as soon as completed. This will assure that your name and city of residence are accurately recorded in the minutes and that your interest in speaking is recognized. If you wish to speak and are not recognized by the Mayor, please approach the podium prior to completion of discussion on the item. Speakers are allowed up to three minutes each, and if a large group wishes to express its views, it is more effective to have one spokesperson.
- Items on the "Consent Calendar" are not discussed individually but are approved as a group with one motion. If a citizen wishes to speak on an item on the Consent Calendar, he or she may come to the podium at the time announced by the Mayor and request that the item be pulled for discussion by the Council.
- Anyone wishing to address the Council on a nonagenda item may do so during the "Oral Communications" part of the agenda. Speakers are allowed to speak one time on any number of topics for up to three minutes.
- Reducing Time For Public Input: For any single agendized item and for Oral Communications from the Public, if there appears to be 15 or more speakers and the Council might not be able to conclude the scheduled agenda items for the meeting if speakers were allotted three (3) minutes each, the Mayor may reduce speaking time to no less than two (2) minutes per speaker unless there is an objection from Council, in which case majority vote shall decide the issue without debate.



AGENDA: January 12, 2010

5.1

CATEGORY: Public Hearing

DEPT.: Public Works

TITLE: Resolution to Join CaliforniaFIRST Energy Efficiency, Water Efficiency and Renewable Energy Financing Program

RECOMMENDATION

Adopt two resolutions: (1) RESOLUTION AUTHORIZING THE CITY OF MOUNTAIN VIEW TO JOIN THE CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE CITY; AND AUTHORIZING RELATED ACTIONS; to be read in title only, further reading waived; and (2) RESOLUTION AUTHORIZING SACRAMENTO COUNTY AS THE LEAD COLLABORATIVE AGENCY TO APPLY FOR FUNDS ON BEHALF OF MOUNTAIN VIEW, to be read in title only, further reading waived.

FISCAL IMPACT

The fiscal impact of joining CaliforniaFIRST varies depending on whether the City receives grant funding from two possible sources. Three different scenarios include:

1. If Sacramento County, as the lead agency, is awarded State Energy Program (SEP) grant funding to cover CaliforniaFIRST start-up costs for participating counties and cities, there will be no cost to join CaliforniaFIRST.
2. If the SEP grant is not awarded to Sacramento County, a different SEP grant (Bay Area Regional Residential Building Retrofit Program) for which the City is jointly applying through the Association of Bay Area Governments (ABAG) contains a contingency for funding the start-up costs of CaliforniaFIRST. If this second SEP grant is received, there will be no cost to join CaliforniaFIRST.
3. If neither SEP grant is awarded, there would be a \$12,500 fee to proceed with CaliforniaFIRST based on Mountain View's population, as illustrated in Attachment 1. However, Council previously approved CIP funding in the 2009-10 budget to secure technical assistance to establish an AB 811 benefit assessment program, and the start-up fee can be funded through the CIP. The resolution to join includes Council's authorization to pay the fee if grant funding to cover legal, procedural and technology costs is not secured.

BACKGROUND AND ANALYSIS

Resolutions

The proposed "Resolution to Join" (Attachment 2) authorizes Mountain View to join the CaliforniaFIRST Program and California Communities to accept applications from Mountain View residential and commercial property owners for financing of renewable energy, energy-efficiency and water-efficiency improvements through the CaliforniaFIRST Program. It also authorizes California Communities to conduct assessment proceedings and levy assessments against the property of participating owners within our boundaries. Further, it authorizes miscellaneous related actions and makes certain findings and determinations required by law. California Communities will undertake a judicial validation proceeding as part of its initiation of the CaliforniaFIRST Program.

Attachment 3 authorizes Sacramento County to be the lead applicant in applying for \$16.5 million in SEP CaliforniaFIRST grant funding on behalf of 14 Bay Area counties and their participating cities. This "pilot stage" funding will be used to offset start-up costs, initial fees related to bond issuance, an interest rate buy-down, local outreach/education/marketing, local coordination and grant administration.

CaliforniaFIRST Program

California Communities is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of California Communities include all 58 counties and more than 400 cities throughout California, including Mountain View.

CaliforniaFIRST is a State-wide AB 811 program that will allow residential and commercial property owners in participating cities and counties to finance renewable energy and energy- and water-efficiency improvements. California Communities will finance the improvements through the issuance of bonds and levy "contractual assessments" on the owner's property to repay the loan. Costs are amortized over several years and billed with property taxes. If the property ownership is transferred, the cost of the project will stay with the property rather than the property owner. California Communities has selected Renewable Funding LLC and RBC Capital Markets to provide administration and financing for the program.

The benefits to future Mountain View participants include:

- The program is voluntary and owners must "opt in" to participate.
- Only owners who choose to participate will have assessments imposed on their property.

- The loan cost will likely be less than a conventional loan.
- Private financing for renewable energy and energy-/water-efficiency projects can be difficult to obtain in today's economy.
- The life of the loan and the repayment obligation will match the useful life of the improvements. As stated previously, under the CaliforniaFIRST Program, the assessment obligation will transfer with the property upon sale.
- The property owner can choose to pay off the assessments at any time.
- By enabling owners to reduce their energy bills, a smaller percentage of their income would be spent on utilities.

The benefits to the City include:

- Mountain View can facilitate financing improvements for property owners with less staff time than through a separate Mountain View-only program.
- California Communities will be responsible for all assessment administration, bond issuance and bond administrative functions, as well as application processing, determination of property eligibility, quality assurance and customer service.
- The City will incur no obligation of indebtedness as a result of participation in the CaliforniaFIRST Program.
- As in conventional assessment financing, the City is not obligated to repay the bonds issued by California Communities or to pay the assessments levied on the participating properties.
- The rating of the bonds are tied to the properties assessed and do not have an effect upon the City's bond rating.
- The City can withdraw from the CaliforniaFIRST Program at any time by passing a resolution rescinding the authorization.
- Local manufacturers of energy-efficiency products will provide some of the products used to retrofit homes and businesses.
- Local contractors will be used to install these products, resulting in a stimulus to the local economy.

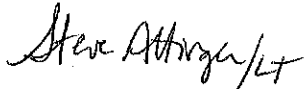
- The program may attract more clean technology businesses to Mountain View.
- Water-efficiency retrofits will help further the City's policies of promoting water conservation and helps address the State's chronic water shortage.
- The CaliforniaFIRST Program will help the City meet community-wide greenhouse gas reduction targets adopted on November 3, 2009.

NEXT STEPS

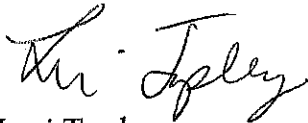
CaliforniaFIRST-related grants will be awarded in February/March 2010. If funding is received, then the pilot program would likely be available to Mountain View property owners by the end of 2010. The project implementation deadline is March 31, 2012.

PUBLIC NOTICING—Agenda posting.

Prepared by:



Stephen P. Attinger
Environmental Sustainability Coordinator

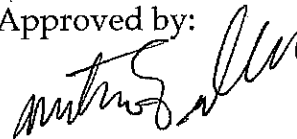


Lori Topley
Solid Waste Program Manager



Joan Jenkins
Transportation and Policy Manager

Approved by:



Michael A. Fuller
Interim Public Works Director



Kevin C. Duggan
City Manager

SPA-LT-JJ/7/CAM/916-01-12-10M-E^

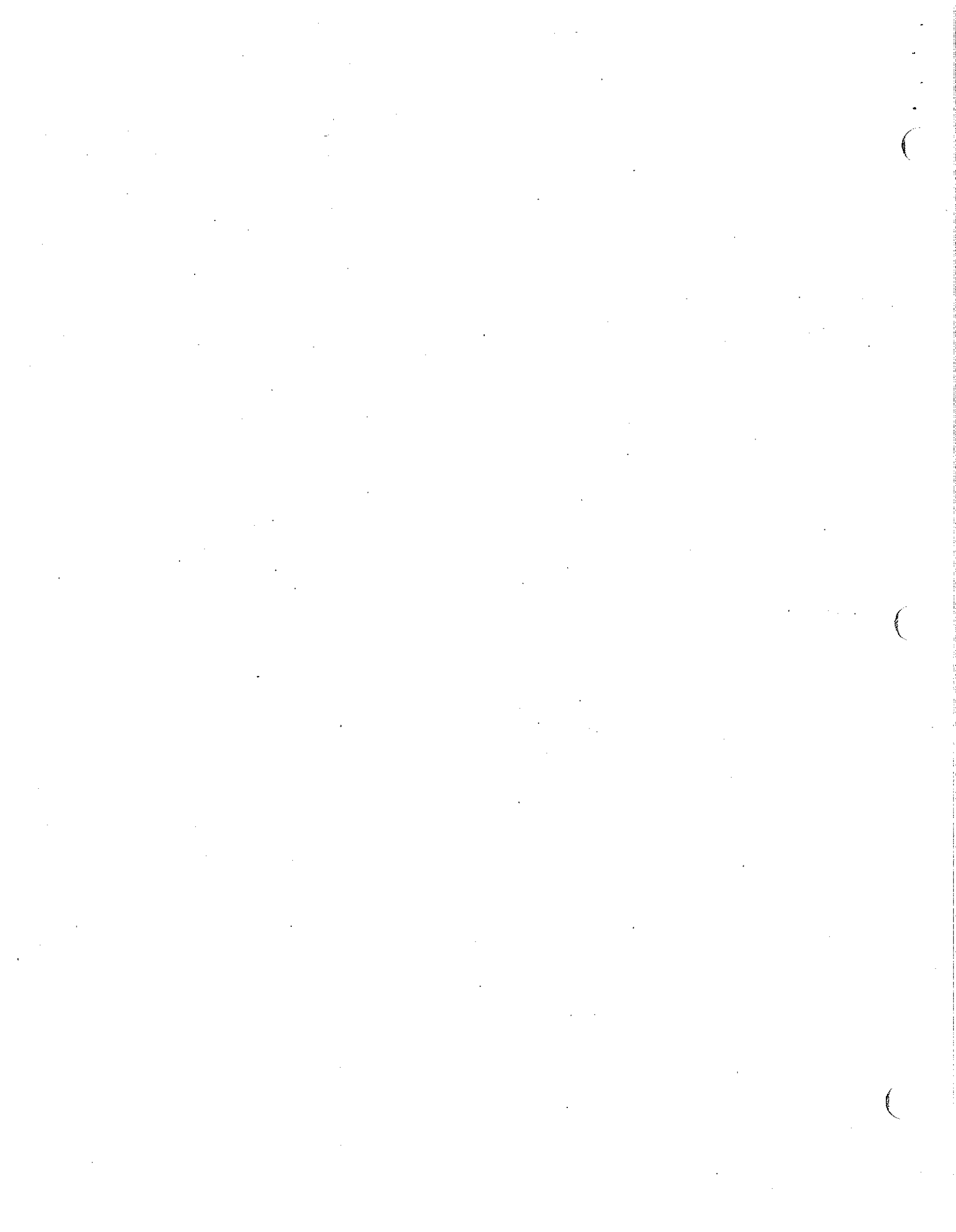
- Attachments:
1. CaliforniaFIRST Program Fees
 2. Resolution Authorizing the City of Mountain View to Join the CaliforniaFIRST Program
 3. Resolution Authorizing the Lead Collaborative Entity to Apply for Funds on Behalf of the City of Mountain View

cc: SWPM, TPM, ESC, PP, AP—Downing, CBO(A), F

CALIFORNIAFIRST PROGRAM FEES

Per City or County Population	Level 1— Under 20K	Level 2— 21K to 75K	Level 3— 75K to 200K	Level 4— 201K to 500K	Level 5— Over 500K
Legal and Validation Process	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Technology Setup	<u>2,500</u>	<u>5,000</u>	<u>7,500</u>	<u>12,500</u>	<u>17,500</u>
TOTAL	<u>\$10,000</u>	<u>\$12,500</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$25,000</u>

JJ/7/PWK
907-01-12-10A^



CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2010

A RESOLUTION AUTHORIZING THE CITY OF MOUNTAIN VIEW TO JOIN THE CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE CITY; AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is a joint exercise of powers authority, the members of which include numerous cities and counties in the State of California, including the City of Mountain View (the "City"); and

WHEREAS, California Communities has established the CaliforniaFIRST program (the "CaliforniaFIRST Program") to allow the financing of certain renewable energy, energy-efficiency and water-efficiency improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets and Highways Code ("Chapter 29") and the issuance of improvement bonds (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the City desires to allow the owners of property within its jurisdiction ("Participating Property Owners") to participate in the CaliforniaFIRST Program and to allow California Communities to conduct assessment proceedings under Chapter 29 and to issue Bonds under the 1915 Act to finance the Improvements; and

WHEREAS, California Communities will conduct assessment proceedings under Chapter 29 and issue Bonds under the 1915 Act to finance Improvements; and

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by California Communities in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for the CaliforniaFIRST Program shall include all of the territory within the City's official boundaries of record (the "Proposed Boundaries"); and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program; and

WHEREAS, pursuant to Government Code Section 6586.5, a notice of public hearing has been published once at least five days prior to the date hereof in a newspaper of general circulation in the City and a public hearing has been duly conducted by this City Council concerning the significant public benefits of the CaliforniaFIRST Program and the financing of the Improvements;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mountain View as follows:

Section 1. On the date hereof, the City Council held a public hearing and the City Council hereby finds and declares that the issuance of bonds by California Communities in connection with the CaliforniaFIRST Program will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and reductions in effective user charges levied by water and electricity providers within the boundaries of the City.

Section 2. In connection with the CaliforniaFIRST Program, the City hereby consents to the conduct of special assessment proceedings by California Communities pursuant to Chapter 29 on any property within the Proposed Boundaries and the issuance of Bonds under the 1915 Act; provided, that

(1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;

(2) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and

(3) The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program; and

(4) The issuance of Bonds will occur following receipt of a final judgment in a validation action filed by California Communities pursuant to Code of Civil Procedure Section 860 that the Bonds are legal obligations of California Communities.

Section 3. Pursuant to the requirements of Chapter 29, California Communities has prepared and will update from time to time the "Program Report" for the CaliforniaFIRST Program (the "Program Report"), and California Communities will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

Section 4. The appropriate officials and staff of the City are hereby authorized and directed to make applications for the CaliforniaFIRST program available to all property owners who wish to finance Improvements; provided that California Communities shall be responsible for providing such applications and related materials at its own expense. The following staff persons, together with any other staff persons chosen by the City Manager from time to time, are hereby designated as the contact persons for California Communities in connection with the CaliforniaFIRST Program: Environmental Sustainability Coordinator and Finance and Administrative Services Director.

Section 5. The appropriate officials and staff of the City are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents as are reasonably required by California Communities in accordance with the Program Report to implement the CaliforniaFIRST Program for Participating Property Owners.

Section 6. In the event the City does not receive start-up cost grant funding through the State Energy Program, the appropriate officials and staff of the City are hereby authorized and directed to pay California Communities a fee in an amount not to exceed \$12,500, which California Communities will use to pay for the costs of implementing the CaliforniaFIRST Program in the City, including the payment of legal costs incurred in connection with judicial validation of the CaliforniaFIRST Program.

Section 7. The City Council hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution 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 8. This Resolution shall take effect immediately upon its adoption. The City Clerk is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of California Communities.

SPA/7/RESO/916-01-12-10R-E^

**FORM OF RESOLUTION DECLARING INTENTION TO FINANCE
INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY
SOURCES, ENERGY EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS**

COUNTY OF _____

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is authorized under the authority granted California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California in accordance with Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code of the State of California ("Chapter 29") to authorize assessments to finance the installation of distributed generation renewable energy sources, and energy-efficiency and water-efficiency improvements that are permanently fixed to real property ("Authorized Improvements"); and

WHEREAS, Chapter 29 authorizes California Communities to enter into contractual assessments to finance the installation of Authorized Improvements in the County of _____ (the "County"); and

WHEREAS, California Communities wishes to declare its intention to establish a CaliforniaFIRST program (the "CaliforniaFIRST Program") in the County, pursuant to which California Communities, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the County;

NOW, THEREFORE, BE IT RESOLVED by the California Statewide Communities Development Authority, as follows:

Section 1. Findings. California Communities hereby finds and declares the following:

- (a) The above recitals are true and correct.
- (b) Energy conservation efforts, including the promotion of energy-related Authorized Improvements to residential, commercial, industrial or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the County.
- (c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial or other real property, are necessary to address the issue of chronic water shortages in California.
- (d) The upfront cost of making residential, commercial, industrial or other real property more energy- and water-efficient, along with the fact that most commercial

loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

(e) A public purpose will be served by establishing a contractual assessment program, to be known as the CaliforniaFIRST Program, pursuant to which California Communities will finance the installation of Authorized Improvements to residential, commercial, industrial or other real property in the County.

Section 2. Determination of Public Interest. California Communities hereby determines that: (a) it would be convenient, advantageous and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the County, within which California Communities and property owners within the County may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29; and (b) it is in the public interest for California Communities to finance the installation of Authorized Improvements in the County pursuant to Chapter 29.

Section 3. Identification of Authorized Improvements. California Communities hereby declares that it proposes to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including, but not limited to, those improvements detailed in the Report described in Section 7 below, as that Report may be amended from time to time.

Section 4. Identification of Boundaries. Contractual assessments may be entered into by property owners located within the entire geographic territory of the County; provided, however, that California Communities shall not enter into contractual assessments to finance the installation of Authorized Improvements with the owner of any property in the County unless requested to do so first by the County if the property is located in unincorporated territory or a city if the property is located in incorporated territory and after such city or the County, as applicable, has held a public hearing pursuant to Section 6586.5 of the Government Code of the State of California. The form of resolution pursuant to which cities may request California Communities to enter into contractual assessments to finance the installation of Authorized Improvements is attached as Exhibit A.

Section 5. Proposed Financing Arrangements. Under Chapter 29, California Communities may issue bonds pursuant to Chapter 29 that are payable by contractual assessments and California Communities may advance its own funds to finance work to be repaid through contractual assessments, and may, from time to time, sell bonds to reimburse itself for such advances. Division 10 (commencing with Section 8500) of the Streets and Highways Code of the State (the "Improvement Bond Act of 1915") shall apply to any bonds issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29.

California Communities shall determine the creditworthiness of a property owner to participate in the financing of Authorized Improvements based on the criteria developed by the Program Manager in consultation with the CaliforniaFIRST Program financing team and on file with the Secretary.

In connection with bonds issued under the Improvement Bond Act of 1915 that are payable from contractual assessments, serial and/or term improvement bonds shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date) and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by California Communities at the time of the issuance and sale of the bonds. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of California Communities to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. California Communities will not advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the bonds; provided, however, that this determination shall not prevent California Communities from, in its sole discretion, so advancing funds. The bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding of the bonds, upon the conditions specified by and at the determination of California Communities.

California Communities hereby authorizes the Program Manager, upon consultation with bond counsel and the CaliforniaFIRST Program underwriter, to provide for the issuance of bonds payable from contractual assessments.

In connection with the issuance of bonds payable from contractual assessments, California Communities expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

Section 6. Public Hearing. Pursuant to the Act, California Communities hereby orders that a public hearing be held before this Commission, at _____, on _____, 2010 at _____ a.m., for the purposes of allowing interested persons to object to or inquire about the proposed program or any of its particulars. The public hearing may be continued from time to time as determined by the Commission for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 7 below shall be summarized and the Commission shall afford all persons who are present an opportunity to comment upon, object to or present evidence with regard to the proposed contractual assessment program, the extent of the area proposed to be included within the program, the terms and conditions of the draft Contract described in Section 7 below or the proposed financing provisions. Following the public hearing,

California Communities may adopt a resolution confirming the Report (the "Resolution Confirming Report") or may direct the Report's modification in any respect, or may abandon the proceedings.

The Commission hereby orders the Secretary to publish a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the 14th day. The first publication shall occur not later than 20 days before the date of the public hearing.

Section 7. Report. The Commission hereby directs the Program Manager for the CaliforniaFIRST Program to prepare and file with the Commission a report (the "Report") at or before the time of the public hearing described in Section 6 above containing all of the following:

(a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.

(b) A draft contract (the "Contract") specifying the terms and conditions that would be agreed to by California Communities and a property owner within the County. The Contract may allow property owners to purchase directly the related equipment and materials for the installation of the Authorized Improvements and to contract directly for the installation of such Authorized Improvements.

(c) A statement of California Communities' policies concerning contractual assessments including all of the following:

(1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.

(2) Identification of California Communities official authorized to enter into contractual assessments on behalf of California Communities.

(3) A maximum aggregate dollar amount of contractual assessments in the County.

(4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.

(d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by

California Communities through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration and collection of the contractual assessment program among the consenting property owners and California Communities.

(e) A report on the results of the consultations with the County Auditor-Controller described in Section 9 below concerning the additional fees, if any, that will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property, and a plan for financing the payment of those fees.

Section 8. Nature of Assessments. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by California Communities, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

Section 9. Consultations with County Auditor-Controller. California Communities hereby directs the Program Manager to enter into consultations with the County Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property.

Section 10. Preparation of Current Roll of Assessment. Pursuant to Section 5898.24(c), California Communities hereby designates the Program Manager (or his/her designee) as the responsible official for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

Section 11. Procedures for Responding to Inquiries. The Program Manager shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

Section 12. Professionals Appointed. California Communities hereby appoints Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel to California Communities in connection with the CaliforniaFIRST Program. The Commission hereby authorizes and directs an Authorized Signatory of California Communities (as determined from time to time by the Commission by separate

resolution) to enter into appropriate agreements with such firm for its services to California Communities in connection with the matters addressed in this Resolution.

Section 13. Set-Up Fees. The County and various cities within the County may advance fees to California Communities to pay for certain costs of establishing the CaliforniaFIRST Program, some or all of which represent State Energy Program (SEP) funds. The Program Manager is hereby authorized and directed to return to the County and cities, as applicable, any fees paid to California Communities by the County and cities, as applicable, that do not represent SEP funds and that California Communities does not use to pay for the costs of establishing the CaliforniaFIRST Program.

Section 14. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this _____, 2010.

I, the undersigned, the duly appointed and qualified member of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on _____, 2010.

By: _____
Member

EXHIBIT A

**FORM OF RESOLUTION AUTHORIZING CALIFORNIA COMMUNITIES TO
CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY
CONTRACTUAL ASSESSMENTS**

This "Exhibit A" is referenced by the preceding Exhibit A document, "FORM OF RESOLUTION DECLARING INTENTION TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY-EFFICIENCY AND WATER-EFFICIENCY IMPROVEMENT."

This "Exhibit A" will contain a copy of the "RESOLUTION AUTHORIZING THE CITY OF MOUNTAIN VIEW TO JOIN THE CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE CITY; AND AUTHORIZING RELATED ACTIONS."

SPA/7/PWK
916-01-12-10A-E^

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2010

A RESOLUTION AUTHORIZING SACRAMENTO COUNTY
AS THE LEAD COLLABORATIVE AGENCY
TO APPLY FOR FUNDS ON BEHALF OF MOUNTAIN VIEW

WHEREAS, the City of Mountain View 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; and

WHEREAS, State Energy Program (SEP) funds are available through the California Energy Commission's SEP 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"); and

WHEREAS, SEP allows for cities, counties or groups of cities and counties in California to apply for SEP funds on behalf of eligible local governments; and

WHEREAS, the City of Mountain View is eligible for SEP funding under the California Energy Commission's SEP; and

WHEREAS, the City of Mountain View is proposing to collaborate with Sacramento County 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; and

WHEREAS, the City of Mountain View 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;

NOW, THEREFORE, BE IT RESOLVED that in compliance with the CEQA, the 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)).

BE IT FURTHER RESOLVED that the City Council authorizes Sacramento County to submit a collaborative application on its behalf to the California Energy Commission for up to \$16.5 million in SEP funds for the program for financing energy efficiency, energy conservation, renewable energy and other energy-related projects and activities authorized by ARRA described in Exhibit A.

BE IT FURTHER RESOLVED if recommended for funding by the California Energy Commission, the City of Mountain View authorizes Sacramento County 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 project/s described in Exhibit A.

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**CALIFORNIA ENERGY COMMISSION STATE ENERGY PROGRAM
CALIFORNIAFIRST COLLABORATIVE PROPOSAL
SUMMARY OF PROPOSAL SCOPE AND 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
- Fresno
- Kern
- Monterey
- Sacramento
- San Benito
- San Diego
- San Luis Obispo
- San Mateo
- Santa Clara
- Santa Cruz
- Solano
- Ventura
- Yolo

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 and 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 and Marketing: (~\$8.5M)**

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): \$1,800,000
- 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 regionwide (or countywide, 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 State-wide 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 web site will be part of this funding request.

SUGGESTED MAJOR MARKETING PROGRAM COORDINATION AND 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 web sites, 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 and 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 and protocols development.
- **Guide** promotion, marketing, education, recruitment and program information dissemination.
- **Link** program participants to regional energy efficiency and complementary programs.
- **Connect** to concurrent complementary workforce development training/graduates.
- **Administer** regional program budget, competitive bidding and other program transparency requirements.
- **Track** and/or compile, monitor and 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.

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

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.

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COUNCIL REPORT



CITY OF MOUNTAIN VIEW

AGENDA: January 12, 2010

5.1

CATEGORY: Public Hearing

DEPT.: Public Works

TITLE: Resolution to Join CaliforniaFIRST Energy Efficiency, Water Efficiency and Renewable Energy Financing Program

RECOMMENDATION

Adopt two resolutions: (1) RESOLUTION AUTHORIZING THE CITY OF MOUNTAIN VIEW TO JOIN THE CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE CITY; AND AUTHORIZING RELATED ACTIONS; to be read in title only, further reading waived; and (2) RESOLUTION AUTHORIZING SACRAMENTO COUNTY AS THE LEAD COLLABORATIVE AGENCY TO APPLY FOR FUNDS ON BEHALF OF MOUNTAIN VIEW, to be read in title only, further reading waived.

FISCAL IMPACT

The fiscal impact of joining CaliforniaFIRST varies depending on whether the City receives grant funding from two possible sources. Three different scenarios include:

1. If Sacramento County, as the lead agency, is awarded State Energy Program (SEP) grant funding to cover CaliforniaFIRST start-up costs for participating counties and cities, there will be no cost to join CaliforniaFIRST.
2. If the SEP grant is not awarded to Sacramento County, a different SEP grant (Bay Area Regional Residential Building Retrofit Program) for which the City is jointly applying through the Association of Bay Area Governments (ABAG) contains a contingency for funding the start-up costs of CaliforniaFIRST. If this second SEP grant is received, there will be no cost to join CaliforniaFIRST.
3. If neither SEP grant is awarded, there would be a \$12,500 fee to proceed with CaliforniaFIRST based on Mountain View's population, as illustrated in Attachment 1. However, Council previously approved CIP funding in the 2009-10 budget to secure technical assistance to establish an AB 811 benefit assessment program, and the start-up fee can be funded through the CIP. The resolution to join includes Council's authorization to pay the fee if grant funding to cover legal, procedural and technology costs is not secured.

BACKGROUND AND ANALYSIS

Resolutions

The proposed "Resolution to Join" (Attachment 2) authorizes Mountain View to join the CaliforniaFIRST Program and California Communities to accept applications from Mountain View residential and commercial property owners for financing of renewable energy, energy-efficiency and water-efficiency improvements through the CaliforniaFIRST Program. It also authorizes California Communities to conduct assessment proceedings and levy assessments against the property of participating owners within our boundaries. Further, it authorizes miscellaneous related actions and makes certain findings and determinations required by law. California Communities will undertake a judicial validation proceeding as part of its initiation of the CaliforniaFIRST Program.

Attachment 3 authorizes Sacramento County to be the lead applicant in applying for \$16.5 million in SEP CaliforniaFIRST grant funding on behalf of 14 Bay Area counties and their participating cities. This "pilot stage" funding will be used to offset start-up costs, initial fees related to bond issuance, an interest rate buy-down, local outreach/education/marketing, local coordination and grant administration.

CaliforniaFIRST Program

California Communities is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies of California Communities include all 58 counties and more than 400 cities throughout California, including Mountain View.

CaliforniaFIRST is a State-wide AB 811 program that will allow residential and commercial property owners in participating cities and counties to finance renewable energy and energy- and water-efficiency improvements. California Communities will finance the improvements through the issuance of bonds and levy "contractual assessments" on the owner's property to repay the loan. Costs are amortized over several years and billed with property taxes. If the property ownership is transferred, the cost of the project will stay with the property rather than the property owner. California Communities has selected Renewable Funding LLC and RBC Capital Markets to provide administration and financing for the program.

The benefits to future Mountain View participants include:

- The program is voluntary and owners must "opt in" to participate.
- Only owners who choose to participate will have assessments imposed on their property.

- The loan cost will likely be less than a conventional loan.
- Private financing for renewable energy and energy-/water-efficiency projects can be difficult to obtain in today's economy.
- The life of the loan and the repayment obligation will match the useful life of the improvements. As stated previously, under the CaliforniaFIRST Program, the assessment obligation will transfer with the property upon sale.
- The property owner can choose to pay off the assessments at any time.
- By enabling owners to reduce their energy bills, a smaller percentage of their income would be spent on utilities.

The benefits to the City include:

- Mountain View can facilitate financing improvements for property owners with less staff time than through a separate Mountain View-only program.
- California Communities will be responsible for all assessment administration, bond issuance and bond administrative functions, as well as application processing, determination of property eligibility, quality assurance and customer service.
- The City will incur no obligation of indebtedness as a result of participation in the CaliforniaFIRST Program.
- As in conventional assessment financing, the City is not obligated to repay the bonds issued by California Communities or to pay the assessments levied on the participating properties.
- The rating of the bonds are tied to the properties assessed and do not have an effect upon the City's bond rating.
- The City can withdraw from the CaliforniaFIRST Program at any time by passing a resolution rescinding the authorization.
- Local manufacturers of energy-efficiency products will provide some of the products used to retrofit homes and businesses.
- Local contractors will be used to install these products, resulting in a stimulus to the local economy.

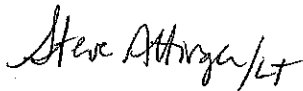
- The program may attract more clean technology businesses to Mountain View.
- Water-efficiency retrofits will help further the City's policies of promoting water conservation and helps address the State's chronic water shortage.
- The CaliforniaFIRST Program will help the City meet community-wide greenhouse gas reduction targets adopted on November 3, 2009.

NEXT STEPS

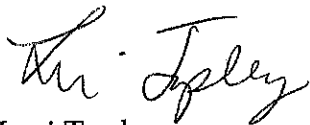
CaliforniaFIRST-related grants will be awarded in February/March 2010. If funding is received, then the pilot program would likely be available to Mountain View property owners by the end of 2010. The project implementation deadline is March 31, 2012.

PUBLIC NOTICING—Agenda posting.

Prepared by:



Stephen P. Attinger
Environmental Sustainability Coordinator



Lori Topley
Solid Waste Program Manager



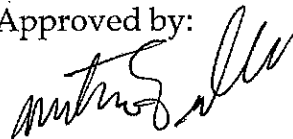
Joan Jenkins
Transportation and Policy Manager

SPA-LT-JJ/7/CAM/916-01-12-10M-E^

- Attachments:
1. CaliforniaFIRST Program Fees
 2. Resolution Authorizing the City of Mountain View to Join the CaliforniaFIRST Program
 3. Resolution Authorizing the Lead Collaborative Entity to Apply for Funds on Behalf of the City of Mountain View

cc: SWPM, TPM, ESC, PP, AP—Downing, CBO(A), F

Approved by:



Michael A. Fuller
Interim Public Works Director

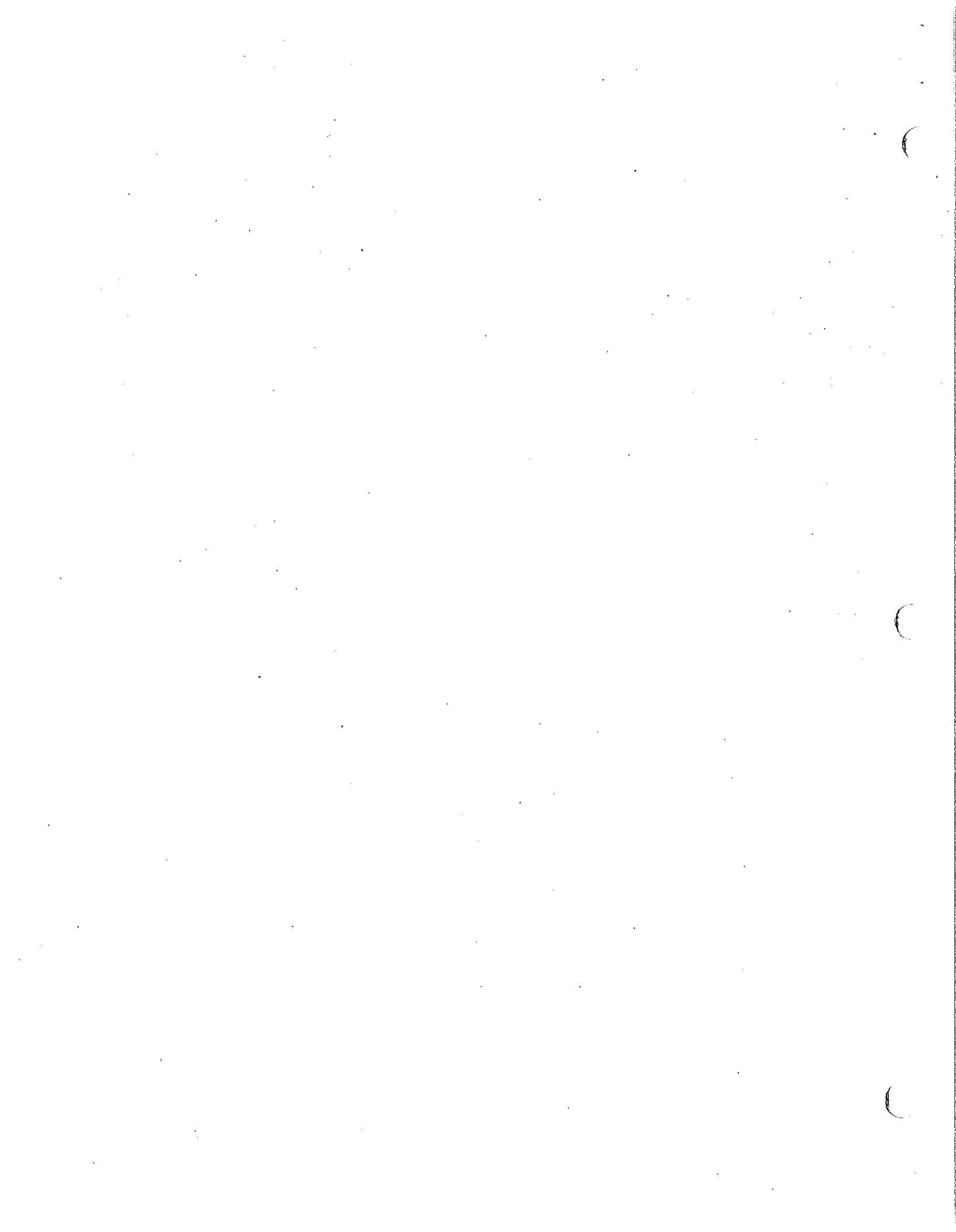


Kevin C. Duggan
City Manager

CALIFORNIAFIRST PROGRAM FEES

Per City or County Population	Level 1— Under 20K	Level 2— 21K to 75K	Level 3— 75K to 200K	Level 4— 201K to 500K	Level 5— Over 500K
Legal and Validation Process	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Technology Setup	<u>2,500</u>	<u>5,000</u>	<u>7,500</u>	<u>12,500</u>	<u>17,500</u>
TOTAL	<u>\$10,000</u>	<u>\$12,500</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$25,000</u>

JJ/7/PWK
907-01-12-10A^



CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2010

A RESOLUTION AUTHORIZING THE CITY OF MOUNTAIN VIEW TO JOIN THE CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE CITY; AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is a joint exercise of powers authority, the members of which include numerous cities and counties in the State of California, including the City of Mountain View (the "City"); and

WHEREAS, California Communities has established the CaliforniaFIRST program (the "CaliforniaFIRST Program") to allow the financing of certain renewable energy, energy-efficiency and water-efficiency improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets and Highways Code ("Chapter 29") and the issuance of improvement bonds (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the City desires to allow the owners of property within its jurisdiction ("Participating Property Owners") to participate in the CaliforniaFIRST Program and to allow California Communities to conduct assessment proceedings under Chapter 29 and to issue Bonds under the 1915 Act to finance the Improvements; and

WHEREAS, California Communities will conduct assessment proceedings under Chapter 29 and issue Bonds under the 1915 Act to finance Improvements; and

WHEREAS, there has been presented to this meeting a proposed form of Resolution of Intention to be adopted by California Communities in connection with such assessment proceedings (the "ROI"), a copy of which is attached hereto as Exhibit A, and the territory within which assessments may be levied for the CaliforniaFIRST Program shall include all of the territory within the City's official boundaries of record (the "Proposed Boundaries"); and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program; and

WHEREAS, pursuant to Government Code Section 6586.5, a notice of public hearing has been published once at least five days prior to the date hereof in a newspaper of general circulation in the City and a public hearing has been duly conducted by this City Council concerning the significant public benefits of the CaliforniaFIRST Program and the financing of the Improvements;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mountain View as follows:

Section 1. On the date hereof, the City Council held a public hearing and the City Council hereby finds and declares that the issuance of bonds by California Communities in connection with the CaliforniaFIRST Program will provide significant public benefits, including without limitation, savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs and reductions in effective user charges levied by water and electricity providers within the boundaries of the City.

Section 2. In connection with the CaliforniaFIRST Program, the City hereby consents to the conduct of special assessment proceedings by California Communities pursuant to Chapter 29 on any property within the Proposed Boundaries and the issuance of Bonds under the 1915 Act; provided, that

- (1) Such proceedings are conducted pursuant to one or more Resolutions of Intention in substantially the form of the ROI;
- (2) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and
- (3) The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the CaliforniaFIRST Program; and
- (4) The issuance of Bonds will occur following receipt of a final judgment in a validation action filed by California Communities pursuant to Code of Civil Procedure Section 860 that the Bonds are legal obligations of California Communities.

Section 3. Pursuant to the requirements of Chapter 29, California Communities has prepared and will update from time to time the "Program Report" for the CaliforniaFIRST Program (the "Program Report"), and California Communities will undertake assessment proceedings and the financing of Improvements as set forth in the Program Report.

Section 4. The appropriate officials and staff of the City are hereby authorized and directed to make applications for the CaliforniaFIRST program available to all property owners who wish to finance Improvements; provided that California Communities shall be responsible for providing such applications and related materials at its own expense. The following staff persons, together with any other staff persons chosen by the City Manager from time to time, are hereby designated as the contact persons for California Communities in connection with the CaliforniaFIRST Program: Environmental Sustainability Coordinator and Finance and Administrative Services Director.

Section 5. The appropriate officials and staff of the City are hereby authorized and directed to execute and deliver such closing certificates, requisitions, agreements and related documents as are reasonably required by California Communities in accordance with the Program Report to implement the CaliforniaFIRST Program for Participating Property Owners.

Section 6. In the event the City does not receive start-up cost grant funding through the State Energy Program, the appropriate officials and staff of the City are hereby authorized and directed to pay California Communities a fee in an amount not to exceed \$12,500, which California Communities will use to pay for the costs of implementing the CaliforniaFIRST Program in the City, including the payment of legal costs incurred in connection with judicial validation of the CaliforniaFIRST Program.

Section 7. The City Council hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution 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 8. This Resolution shall take effect immediately upon its adoption. The City Clerk is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of California Communities.

SPA/7/RESO/916-01-12-10R-E^

**FORM OF RESOLUTION DECLARING INTENTION TO FINANCE
INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY
SOURCES, ENERGY EFFICIENCY AND WATER EFFICIENCY IMPROVEMENTS**

COUNTY OF _____

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is authorized under the authority granted California Communities pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California in accordance with Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code of the State of California ("Chapter 29") to authorize assessments to finance the installation of distributed generation renewable energy sources, and energy-efficiency and water-efficiency improvements that are permanently fixed to real property ("Authorized Improvements"); and

WHEREAS, Chapter 29 authorizes California Communities to enter into contractual assessments to finance the installation of Authorized Improvements in the County of _____ (the "County"); and

WHEREAS, California Communities wishes to declare its intention to establish a CaliforniaFIRST program (the "CaliforniaFIRST Program") in the County, pursuant to which California Communities, subject to certain conditions set forth below, would enter into contractual assessments to finance the installation of Authorized Improvements in the County;

NOW, THEREFORE, BE IT RESOLVED by the California Statewide Communities Development Authority, as follows:

Section 1. Findings. California Communities hereby finds and declares the following:

- (a) The above recitals are true and correct.
- (b) Energy conservation efforts, including the promotion of energy-related Authorized Improvements to residential, commercial, industrial or other real property, are necessary to address the issue of global climate change and the reduction of greenhouse gas emissions in the County.
- (c) Water conservation efforts, including the promotion of water-related Authorized Improvements to residential, commercial, industrial or other real property, are necessary to address the issue of chronic water shortages in California.
- (d) The upfront cost of making residential, commercial, industrial or other real property more energy- and water-efficient, along with the fact that most commercial

loans for that purpose are due on the sale of the property, prevents many property owners from installing Authorized Improvements.

(e) A public purpose will be served by establishing a contractual assessment program, to be known as the CaliforniaFIRST Program, pursuant to which California Communities will finance the installation of Authorized Improvements to residential, commercial, industrial or other real property in the County.

Section 2. Determination of Public Interest. California Communities hereby determines that: (a) it would be convenient, advantageous and in the public interest to designate an area, which shall encompass the entire geographic territory within the boundaries of the County, within which California Communities and property owners within the County may enter into contractual assessments to finance the installation of Authorized Improvements pursuant to Chapter 29; and (b) it is in the public interest for California Communities to finance the installation of Authorized Improvements in the County pursuant to Chapter 29.

Section 3. Identification of Authorized Improvements. California Communities hereby declares that it proposes to make contractual assessment financing available to property owners to finance installation of Authorized Improvements, including, but not limited to, those improvements detailed in the Report described in Section 7 below, as that Report may be amended from time to time.

Section 4. Identification of Boundaries. Contractual assessments may be entered into by property owners located within the entire geographic territory of the County; provided, however, that California Communities shall not enter into contractual assessments to finance the installation of Authorized Improvements with the owner of any property in the County unless requested to do so first by the County if the property is located in unincorporated territory or a city if the property is located in incorporated territory and after such city or the County, as applicable, has held a public hearing pursuant to Section 6586.5 of the Government Code of the State of California. The form of resolution pursuant to which cities may request California Communities to enter into contractual assessments to finance the installation of Authorized Improvements is attached as Exhibit A.

Section 5. Proposed Financing Arrangements. Under Chapter 29, California Communities may issue bonds pursuant to Chapter 29 that are payable by contractual assessments and California Communities may advance its own funds to finance work to be repaid through contractual assessments, and may, from time to time, sell bonds to reimburse itself for such advances. Division 10 (commencing with Section 8500) of the Streets and Highways Code of the State (the "Improvement Bond Act of 1915") shall apply to any bonds issued pursuant to Chapter 29, insofar as the Improvement Bond Act of 1915 is not in conflict with Chapter 29.

California Communities shall determine the creditworthiness of a property owner to participate in the financing of Authorized Improvements based on the criteria developed by the Program Manager in consultation with the CaliforniaFIRST Program financing team and on file with the Secretary.

In connection with bonds issued under the Improvement Bond Act of 1915 that are payable from contractual assessments, serial and/or term improvement bonds shall be issued in such series and shall mature in such principal amounts and at such times (not to exceed 20 years from the second day of September next following their date) and at such rate or rates of interest (not to exceed the maximum rate permitted by applicable law) as shall be determined by California Communities at the time of the issuance and sale of the bonds. The provisions of Part 11.1 of the Improvement Bond Act of 1915 shall apply to the calling of the bonds. It is the intention of California Communities to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. California Communities will not advance available surplus funds from its treasury to cure any deficiency in the redemption fund to be created with respect to the bonds; provided, however, that this determination shall not prevent California Communities from, in its sole discretion, so advancing funds. The bonds may be refunded under Division 11.5 of the California Streets and Highways Code or other applicable laws permitting refunding of the bonds, upon the conditions specified by and at the determination of California Communities.

California Communities hereby authorizes the Program Manager, upon consultation with bond counsel and the CaliforniaFIRST Program underwriter, to provide for the issuance of bonds payable from contractual assessments.

In connection with the issuance of bonds payable from contractual assessments, California Communities expects to obligate itself, through a covenant with the owners of the bonds, to exercise its foreclosure rights with respect to delinquent contractual assessment installments under specified circumstances.

Section 6. Public Hearing. Pursuant to the Act, California Communities hereby orders that a public hearing be held before this Commission, at _____, on _____, 2010 at _____ a.m., for the purposes of allowing interested persons to object to or inquire about the proposed program or any of its particulars. The public hearing may be continued from time to time as determined by the Commission for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 7 below shall be summarized and the Commission shall afford all persons who are present an opportunity to comment upon, object to or present evidence with regard to the proposed contractual assessment program, the extent of the area proposed to be included within the program, the terms and conditions of the draft Contract described in Section 7 below or the proposed financing provisions. Following the public hearing,

California Communities may adopt a resolution confirming the Report (the "Resolution Confirming Report") or may direct the Report's modification in any respect, or may abandon the proceedings.

The Commission hereby orders the Secretary to publish a notice of public hearing once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice will commence upon the first day of publication and terminate at the end of the 14th day. The first publication shall occur not later than 20 days before the date of the public hearing.

Section 7. Report. The Commission hereby directs the Program Manager for the CaliforniaFIRST Program to prepare and file with the Commission a report (the "Report") at or before the time of the public hearing described in Section 6 above containing all of the following:

(a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered, as set forth in Section 4 above.

(b) A draft contract (the "Contract") specifying the terms and conditions that would be agreed to by California Communities and a property owner within the County. The Contract may allow property owners to purchase directly the related equipment and materials for the installation of the Authorized Improvements and to contract directly for the installation of such Authorized Improvements.

(c) A statement of California Communities' policies concerning contractual assessments including all of the following:

(1) Identification of types of Authorized Improvements that may be financed through the use of contractual assessments.

(2) Identification of California Communities official authorized to enter into contractual assessments on behalf of California Communities.

(3) A maximum aggregate dollar amount of contractual assessments in the County.

(4) A method for setting requests from property owners for financing through contractual assessments in priority order in the event that requests appear likely to exceed the authorization amount.

(d) A plan for raising a capital amount required to pay for work performed pursuant to contractual assessments. The plan may include amounts to be advanced by

California Communities through funds available to it from any source. The plan may include the sale of a bond or bonds or other financing relationship pursuant to Section 5898.28 of Chapter 29. The plan shall include a statement of or method for determining the interest rate and time period during which contracting property owners would pay any assessment. The plan shall provide for any reserve fund or funds. The plan shall provide for the apportionment of all or any portion of the costs incidental to financing, administration and collection of the contractual assessment program among the consenting property owners and California Communities.

(e) A report on the results of the consultations with the County Auditor-Controller described in Section 9 below concerning the additional fees, if any, that will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property, and a plan for financing the payment of those fees.

Section 8. Nature of Assessments. Assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, will constitute a lien against the lots and parcels of land on which they are made, until they are paid. Unless otherwise directed by California Communities, the assessments shall be collected in the same manner and at the same time as the general taxes of the County on real property are payable, and subject to the same penalties and remedies and lien priorities in the event of delinquency and default.

Section 9. Consultations with County Auditor-Controller. California Communities hereby directs the Program Manager to enter into consultations with the County Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to California Communities for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property.

Section 10. Preparation of Current Roll of Assessment. Pursuant to Section 5898.24(c), California Communities hereby designates the Program Manager (or his/her designee) as the responsible official for annually preparing the current roll of assessment obligations by assessor's parcel number on property subject to a voluntary contractual assessment.

Section 11. Procedures for Responding to Inquiries. The Program Manager shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment.

Section 12. Professionals Appointed. California Communities hereby appoints Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel to California Communities in connection with the CaliforniaFIRST Program. The Commission hereby authorizes and directs an Authorized Signatory of California Communities (as determined from time to time by the Commission by separate

resolution) to enter into appropriate agreements with such firm for its services to California Communities in connection with the matters addressed in this Resolution.

Section 13. Set-Up Fees. The County and various cities within the County may advance fees to California Communities to pay for certain costs of establishing the CaliforniaFIRST Program, some or all of which represent State Energy Program (SEP) funds. The Program Manager is hereby authorized and directed to return to the County and cities, as applicable, any fees paid to California Communities by the County and cities, as applicable, that do not represent SEP funds and that California Communities does not use to pay for the costs of establishing the CaliforniaFIRST Program.

Section 14. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the California Statewide Communities Development Authority this _____, 2010.

I, the undersigned, the duly appointed and qualified member of the Commission of the California Statewide Communities Development Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Commission of said Authority at a duly called meeting of the Commission of said Authority held in accordance with law on _____, 2010.

By: _____
Member

EXHIBIT A

**FORM OF RESOLUTION AUTHORIZING CALIFORNIA COMMUNITIES TO
CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY
CONTRACTUAL ASSESSMENTS**

This "Exhibit A" is referenced by the preceding Exhibit A document, "FORM OF RESOLUTION DECLARING INTENTION TO FINANCE INSTALLATION OF DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY-EFFICIENCY AND WATER-EFFICIENCY IMPROVEMENT."

This "Exhibit A" will contain a copy of the "RESOLUTION AUTHORIZING THE CITY OF MOUNTAIN VIEW TO JOIN THE CALIFORNIA FIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE TERRITORY OF THE CITY; AND AUTHORIZING RELATED ACTIONS."

SPA/7/PWK
916-01-12-10A-E^

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2010

A RESOLUTION AUTHORIZING SACRAMENTO COUNTY
AS THE LEAD COLLABORATIVE AGENCY
TO APPLY FOR FUNDS ON BEHALF OF MOUNTAIN VIEW

WHEREAS, the City of Mountain View 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; and

WHEREAS, State Energy Program (SEP) funds are available through the California Energy Commission's SEP 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"); and

WHEREAS, SEP allows for cities, counties or groups of cities and counties in California to apply for SEP funds on behalf of eligible local governments; and

WHEREAS, the City of Mountain View is eligible for SEP funding under the California Energy Commission's SEP; and

WHEREAS, the City of Mountain View is proposing to collaborate with Sacramento County 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; and

WHEREAS, the City of Mountain View 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;

NOW, THEREFORE, BE IT RESOLVED that in compliance with the CEQA, the 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)).

BE IT FURTHER RESOLVED that the City Council authorizes Sacramento County to submit a collaborative application on its behalf to the California Energy Commission for up to \$16.5 million in SEP funds for the program for financing energy efficiency, energy conservation, renewable energy and other energy-related projects and activities authorized by ARRA described in Exhibit A.

BE IT FURTHER RESOLVED if recommended for funding by the California Energy Commission, the City of Mountain View authorizes Sacramento County 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 project/s described in Exhibit A.

SPA/7/RESO
916-01-12-10R-E-1^

**CALIFORNIA ENERGY COMMISSION STATE ENERGY PROGRAM
CALIFORNIAFIRST COLLABORATIVE PROPOSAL
SUMMARY OF PROPOSAL SCOPE AND 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 and 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 and Marketing: (~\$8.5M)

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): \$1,800,000
- 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 regionwide (or countywide, 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 State-wide 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 web site will be part of this funding request.

SUGGESTED MAJOR MARKETING PROGRAM COORDINATION AND 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 web sites, 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 and 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 and protocols development.
- **Guide** promotion, marketing, education, recruitment and program information dissemination.
- **Link** program participants to regional energy efficiency and complementary programs.
- **Connect** to concurrent complementary workforce development training/graduates.
- **Administer** regional program budget, competitive bidding and other program transparency requirements.
- **Track** and/or compile, monitor and 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.

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

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.

SPA/7/PWK
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