

Attachment 1

Resolution Declaring Intention to Finance Installation of Distributed Generation Renewable Energy Sources, and Energy Efficiency and Water Efficiency Improvements

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

RESOLUTION NO. _____

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

WHEREAS, the County of Santa Barbara (the "County") is authorized under Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") to enter into contractual 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, the Board of Supervisors wishes to declare its intention to establish a contractual assessment program (the "Program"), pursuant to which the County would enter into contractual assessments to finance the installation of Authorized Improvements in the County;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Barbara as follows:

Section 1. Findings. The County hereby finds and declares the following:

(a) The above recitals are true and correct.

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

(c) 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.

(d) Energy conservation efforts, including the promotion of energy-related Authorized Improvements to residential, commercial, industrial, or other real property, will support efforts to foster communitywide sustainability and lowered greenhouse gas emissions by promoting economic growth and stability, and environmental stewardship through participation in the green economy.

(e) 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.

(f) 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.

Section 2. Determination of Public Interest. The Board of Supervisors hereby determines that (a) it would be convenient, advantageous, and in the public interest to designate an area, which shall encompass the territory described in Section 4 below, within which the County 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 the County to finance the installation of Authorized Improvements in the County pursuant to Chapter 29.

Section 3. Identification of Authorized Improvements. The Board of Supervisors 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 8 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. The County provided a form of this Resolution to each of the eight incorporated cities in the County, and the legislative body of each of the eight cities has (i) approved this Resolution, (ii) consented to including its incorporated territory within the territory covered by the Program and (iii) approved the financing of installation of the Authorized Improvements within such incorporated territory. The Board of Supervisors hereby finds that including the incorporated territory within the boundaries of the Program will benefit such territory.

The Board of Supervisors intends to enter into agreements with each of the eight cities in the County to reflect the terms on which the County and the City will cooperate to offer the Program within the incorporated territory.

Section 5. Proposed Financing Arrangements. Under Chapter 29, the County may issue bonds or enter into other financing relationships pursuant to Chapter 29 that are payable by contractual assessments and the County 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 & 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.

The County shall determine the creditworthiness of a property owner to participate in the financing of Authorized Improvements based on the criteria developed by the County in consultation with the Program financing team, as such criteria shall be set forth in the Report described in Section 8 below, as that Report may be amended from time to time.

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 the County 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 the County to create a special reserve fund for the bonds under Part 16 of the Improvement Bond Act of 1915. The County will not obligate itself to 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 the County 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 the County.

In connection with the issuance of bonds payable from contractual assessments, the County 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, the Board of Supervisors hereby orders that a public hearing be held before this Board at the Betteravia Government Center Board Hearing Room, 511 East Lakeside Parkway, Santa Maria, California on April 13, 2010, beginning at 9:00 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 Board of Supervisors for a time not exceeding a total of 180 days.

At the time of the hearing, the Report described in Section 8 below shall be summarized and the Board of Supervisors shall afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed Program, the extent of the area proposed to be included within the Program, the terms and conditions of the draft Contract described in Section 8 below, or the proposed financing provisions. Following the public hearing, the Board of Supervisors 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 Board of Supervisors hereby orders the Clerk 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 fourteenth day. The first publication shall occur not later than 20 days before the date of the public hearing.

Section 7. Notice to Water and Electric Providers. Pursuant to Section 5898.24 of the Streets & Highways Code, the Board of Supervisors has provided written notice of the proposed Program within the County to all water and electric providers within the boundaries of the County.

Section 8. Report. The Board of Supervisors hereby directs the Director of Housing & Community Development to prepare and file with the Board of Supervisors 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 the County 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 the County's 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 the County official authorized to enter into contractual assessments on behalf of the County.

(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 the County 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 Program among the consenting property owners and the County.

(e) A report on the results of the consultations with the County Auditor-Controller described in Section 10 below concerning the additional fees, if any, that will be charged 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 9. 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 the Board of Supervisors, 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 10. Consultations with County Auditor-Controller. The Board of Supervisors hereby directs the Director of Housing & Community Development to enter into consultations with the County Auditor-Controller in order to reach agreement on what additional fees, if any, will be charged to the County for incorporating the proposed contractual assessments into the assessments of the general taxes of the County on real property.

Section 11. Preparation of Current Roll of Assessment. Pursuant to Section 5898.24(c), the County hereby designates the Director of Housing & Community Development (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 in consultation with other responsible officials.

Section 12. Procedures for Responding to Inquiries. The Director of Housing & Community Development shall establish procedures to promptly respond to inquiries concerning current and future estimated liability for a voluntary contractual assessment in consultation with other responsible officials.

Section 13. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Santa Barbara held on this 16th day of March, 2010, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CHAIR, BOARD OF SUPERVISORS

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By: _____
Deputy

APPROVED AS TO FORM:

DENNIS A. MARSHALL
COUNTY COUNSEL

By:  _____
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:

ROBERT GEIS
AUDITOR-CONTROLLER

By:  _____