

<b>County Of Sonoma</b> <b>Agenda Item</b> <b>Summary Report</b>		<b>Clerk of the Board Use Only</b> <b>Meeting Date</b> / /
		<b>Agenda Item No:</b> _____
<b>Department:</b> Auditor-Controller Treasurer-Tax Collector, Sonoma County Public Financing Authority		
<b>Name and Phone Number:</b> Jonathan Kadlec      565-6124	<b>Board Date:</b> 3-22-2011	<b>Deadline for Board Action:</b> 3-22-2011
<b>AGENDA SHORT TITLE:</b> SCEIP Bond Authorization		
<b>REQUESTED BOARD ACTION:</b> <ol style="list-style-type: none"> <li>1. Adopt a resolution of the governing body of the Sonoma County Public Financing Authority authorizing an alternate purchaser for the Sonoma County Public Financing Authority's Sonoma County Energy Independence Program, contractual assessment revenue bonds (taxable), approving as to form and authorizing the execution and delivery of a bond purchase agreement in connection therewith, and authorizing certain other matters relating thereto;</li> <li>2. Adopt a resolution of the County of Sonoma determining the interest rate for the Sonoma County Public Financing Authority's Sonoma County Energy Independence Program, contractual assessment revenue bonds (taxable) to be purchased by Clean Fund</li> </ol>		
<b>CURRENT FISCAL YEAR FINANCIAL IMPACT</b>		
None.		
<b>Explanation (if required):</b> n/a		
<b>Prior Board Action:</b> SCEIP Bond Authorizations on 3/22/2011; 8/17/2010; 4/20/2010; 10/27/2009; 7/21/2009; and 4/21/2009		
<b>Alternatives – Results of Non-Approval:</b> The Sonoma County Energy Independence Program will not be able to finance energy improvements for Sonoma Mountain Village.		

## **Background:**

### **1. Clean Fund Bond Purchase**

Over the past two years, Sonoma Mountain Village has been considering participating in the SCEIP in order to finance a solar photovoltaic installation at their Rohnert Park facility. There have been a variety of hurdles in this process and until recently it appeared that the project would not succeed. However, in December, 2010 the ACTTC was approached by and met with a company called Clean Fund that has proposed to facilitate the Sonoma Mountain Village project. Clean Fund is a San Rafael based company that provides 3<sup>rd</sup> party financing for commercial PACE projects. Clean Fund is requesting to directly purchase the underlying bond in the amount of approximately \$1,600,000 that will finance the project. This opportunity is unique in that Clean Fund proposes to carry the full cost of executing this transaction with terms consisting of a 20 year bond at the program's fixed interest rate of 7%.

This idea will be of benefit to both SCEIP and other PACE type programs as it will establish the first 3<sup>rd</sup> party purchase of a PACE type bond in California and will set a precedent that will help to assist with the future marketing of SCEIP bonds to the secondary investor market, a key element of the future viability of SCEIP. Just such a transaction may also be valuable as a pilot of the owner arranged financing model under investigation by Energy Upgrade California. This structure is also beneficial to the program as it will not count toward the existing \$45 million in bond purchase capacity currently authorized through the County Treasury thus leaving more capacity available for future projects. Lastly, a commercial project like Sonoma Mountain Village will provide the program with an excellent reference on how SCEIP can be developed successfully in the commercial property market.

On March 1, 2011 the Board of Supervisors granted preliminary approval for this project and the associated bond structure. Today's item if approved will provide final authorization for the documents required to implement this bond transaction. We anticipate the transaction will close on or about April 1, 2011.

**Attachments:**

1. Resolution of the governing body of the Sonoma County Public Financing Authority authorizing an alternate purchaser for the Sonoma County Public Financing Authority's Sonoma County Energy Independence Program, contractual assessment revenue bonds (taxable), approving as to form and authorizing the execution and delivery of a bond purchase agreement in connection therewith, and authorizing certain other matters relating thereto;
2. Resolution of the County of Sonoma determining the interest rate for the Sonoma County Public Financing Authority's Sonoma County Energy Independence Program, contractual assessment revenue bonds (taxable) to be purchased by Clean Fund

**On File With Clerk:**

1. Bond Purchase Agreement – Clean Fund

**CLERK OF THE BOARD USE ONLY**

**Board Action (If other than "Requested")**

**Vote:**