



City Council Staff Report

DATE: March 4, 2009

CONSENT CALENDAR

SUBJECT: APPROVAL OF RESOLUTION NO. _____ DECLARING THE CITY OF PALM SPRINGS' INTENTION TO FINANCE ENERGY EFFICIENCY IMPROVEMENTS TO RESIDENCES WITHIN PALM SPRINGS.

FROM: David H. Ready, City Manager

BY: Community & Economic Development Department

SUMMARY:

Resolution _____ is the first step in a two step process necessary for the adoption of the Palm Springs Residential Energy Efficiency Program (REEP) that was recently authorized by the passage of Assembly Bill 811. This Resolution declares the intent of the City Council to finance energy efficiency improvements through the use of contractual assessments pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code.

RECOMMENDATION:

1. Approve City Council Resolution _____ declaring its intention to finance energy efficiency improvements to homes within Palm Springs.
2. Authorize the City Manager or his designee to execute all the necessary documents.

BACKGROUND:

Resolution _____ is the first step in a two step process necessary for the adoption of the Palm Springs Residential Energy Efficiency Program (REEP) that was recently authorized by the passage of Assembly Bill 811. This Resolution declares the intent of the City Council to finance energy efficiency improvements through the use of contractual assessments pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code. This Resolution also authorizes staff to complete the Resolution. This Resolution also sets the date of _____, 2009 for the public hearing necessary for the final adoption of this proposed program.

ITEM NO. 2.K.

All the specifics of this proposed financing program will be completed and published prior to the public hearing date of Wednesday, March 25, 2009.

Resolution No. _____ has been reviewed and approved by the City Attorney's Office.



Diana Shay
Redevelopment Coordinator



Tom Wilson
Assistant City Manager



DAVID H. READY
City Manager

Attachments:

1. Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DECLARING ITS INTENTION TO FINANCE ENERGY EFFICIENCY IMPROVEMENTS THROUGH THE USE OF CONTRACTUAL ASSESSMENTS PURSUANT TO CHAPTER 29 OF PART 3 OF DIVISION 7 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND SETTING A PUBLIC HEARING THEREON.

WHEREAS, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code ("Chapter 29"), the City Council proposes to establish a contractual assessment program to assist property owners with the cost of making energy efficiency improvements that are permanently fixed to their property;

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF PALM SPRINGS HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The City Council hereby finds and declares all of the following:

A. Energy conservation efforts, including the promotion of energy efficiency improvements to residential, commercial, industrial, or other real property are necessary to address the issue of global climate change.

B. The upfront cost of making residential, commercial, industrial, or other real property more energy efficient prevents many property owners from making those improvements. To make those improvements more affordable and to promote the installation of those improvements, the Legislature has authorized an alternative procedure pursuant to Chapter 29 for authorizing assessments to finance the cost of energy efficiency improvements.

C. A public purpose will be served by a contractual assessment program whereby the City Council is authorized to finance the installation of energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.

D. It is convenient, advantageous, and in the public interest to designate the entire City, including any area that may be annexed to the City, as the area within which authorized City officials and property owners may enter into contractual assessments to finance the installation of energy efficiency improvements that are permanently affixed to real property

Section 2. The City Council hereby determines that it would be convenient, advantageous and in the public interest to designate the entire City as an area within which authorized City officials and property owners may enter into contractual assessments pursuant to Chapter 29 to finance the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to real property.

Section 3. The City Council hereby declares that it proposes to make contractual assessment financing available to the owners of property in the City to finance the installation of energy efficiency improvements that are permanently fixed to real property.

Section 4. The City Manager or the City Manager's designee (the "Authorized Officer") shall prepare, as part of the report required in Section 7 of this Resolution, and update, sources or energy efficiency improvements that may be financed through the City's contractual assessment financing program. The types of energy efficiency improvements eligible for financing through contractual assessments may include, but are not limited to, high efficiency air conditioning and ventilation systems, high performance windows, high efficiency pool equipment, high efficiency water heating equipment, photovoltaic and thermal solar energy systems, zoning control and energy management control systems, high efficiency irrigation pumps and controls and natural gas fuel cells, wall, ceiling, and roof insulation upgrades.

Section 5. The entire City and any area that may be annexed thereto, is designated the area within which contractual assessments may be entered into pursuant to Chapter 29.

Section 6. The proposed arrangements for financing the contractual assessment financing program may include without limitation the issuance of bonds pursuant to Chapter 29, the principal and interest of which would be repaid by contractual assessments. Alternatively, the City may advance its own funds to finance work to be repaid through contractual assessments, and may from time to time sell bonds, notes, certificates of participation, or other forms of indebtedness to reimburse itself for such advances. The proposed arrangements may also include the lease-purchase of public facilities by the City pursuant to a lease or other contractual arrangement with a public financing authority or non-profit entity or other financing elements as may be determined necessary or useful to the financing of the contractual assessment program.

Section 7. The City Council hereby directs the Authorized Officer to prepare and file with the City Council a report pursuant to Section 5898.22 of the California Streets and Highways Code at or before the time of the public hearing described in Section 8 hereof (the "Report"). The Report shall contain all of the following:

- (a) A map showing the boundaries of the territory within which contractual assessments are proposed to be offered.
- (b) A draft contract specifying the terms and conditions that would be agreed to be a property owner within the contractual assessment area and the City.

- (c) A statement of City policies concerning contractual assessments including all of the following:
 - (i) Identification of types of facilities, or energy efficiency improvements that may be financed through the use of contractual assessments;
 - (ii) Identification of a city official authorized to enter into contractual assessments on behalf of the City;
 - (iii) A maximum aggregate dollar amount of contractual assessments; and
 - (iv) 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 City 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 Streets and Highways Code Section 5898.28. 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 the City.

Section 8. The City Council hereby calls a public hearing to be held on March 25, 2009 at 6:00 p.m., or soon thereafter as feasible, in the Council Chambers, 3200 E. Tahquitz Canyon Way, Palm Springs, California, on the proposed Report and the contractual assessment financing program. At the public hearing all interested persons may appear and hear and be heard and object to or inquire about the proposed contractual assessment financing program or any of its particulars.

Section 9. The City Clerk is hereby directed to provide notice of the public hearing by publishing this Resolution once a week for two weeks, pursuant to Section 6066 of the California Government Code, in the Desert Sun and the first publication shall not occur later than 14 days before the date of such hearing.

Section 10. The assessments levied pursuant to Chapter 29, and the interest and any penalties thereon, shall constitute a lien against the lots and parcels of land on which they are made, until they are paid. The assessments shall be collected in the same manner and at the same time as the general taxes of the City on real

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property are payable and shall be subject to the same penalties, remedies and lien priorities in the event of delinquency and default.

Section 11. The City Council hereby directs the Authorized Officer to enter into consultations with the County of Riverside Auditor-Controller's office to reach agreement with the County regarding the collection of the contractual assessments by the County on the tax roll.

PASSED, APPROVED AND ADOPTED THIS 4TH DAY OF MARCH, 2009.