

CITY COUNCIL AGENDA: MARCH 17, 2015

CONSENT CALENDAR

SUBJECT: CALIFORNIAFIRST PROPERTY ASSESSED CLEAN ENERGY PROGRAM

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: On August 5, 2014, City Council adopted Resolution 54-2014 opting into the Tulare County Property Assessed Clean Energy (PACE) Program. Staff was recently contacted by a representative of CaliforniaFIRST Program, which is sponsored by the California Statewide Communities Development Authority (California Communities).

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 the California Communities include 57 counties and more than 400 other local agencies throughout California, including the City of Porterville. The City of Porterville adopted Resolution 16-94 entering into a joint powers agreement with the California Statewide Communities Development Authority on March 15, 1994.

The CaliforniaFIRST Program has been established by California Communities to allow owners of property in participating cities and counties to finance a variety of improvements including, but not limited to, renewable energy, energy efficiency and water efficiency improvements and seismic strengthening improvements. If a property owner chooses to participate, the improvements will be financed by the issuance of bonds by California Communities. California Communities will levy contractual assessments on the owner's property to repay the portion of the bonds issued to finance the improvements on that property by adding a line item to the property owner's property tax bill. California Communities has selected Renewable Funding LLC to provide administration and financing for the program. The City of Porterville is not obligated to repay the bonds issued by California Communities or to repay the assessments levied on the participating properties.

The draft resolution authorizes property owners within the city of Porterville the ability to participate in the CaliforniaFIRST Program. The program is available to residential, commercial, multi-family, and industrial property owners wishing to upgrade their properties.

The goal of the program is to promote economic growth and job creation in the city of Porterville by allowing businesses and property owners an additional financing tool to lower their operating costs by decreasing energy and water consumption.

DD JB Appropriated/Funded no CM J Item No. 11

RECOMMENDATION: That the City Council adopt the draft resolution opting into the CaliforniaFIRST PACE Program.

- ATTACHMENTS:
1. Draft resolution to opt into CaliforniaFIRST PACE Program
 2. Resolution 16-94
 3. Resolution 54-2014

RESOLUTION NO. _____ - 2015

RESOLUTION AUTHORIZING THE CITY OF PORTERVILLE 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 INCORPORATED 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 Porterville (the “City”); and

WHEREAS, California Communities has established the CaliforniaFIRST program (the “CaliforniaFIRST Program”) and will provide financing for certain improvements authorized by Chapter 29 of Division 7 of the Streets & Highways Code (“Chapter 29”), including, but not limited to, renewable energy, energy efficiency and water efficiency improvements and seismic strengthening improvements (the “Improvements”) through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & 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 (“Participating Property Owners”) within the incorporated territory of the city to participate in the CaliforniaFIRST Program and to allow California Communities to conduct assessment proceedings under Chapter 29 within the incorporated territory of the City 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;

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

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

ATTACHMENT NO. 1

Section 1. This City Council hereby finds and declares that properties in the city's incorporated area will benefit from the availability of the CaliforniaFIRST Program within the incorporated territory of the City and, pursuant thereto, the conduct of special assessment proceedings by California Communities pursuant to Chapter 29 and the issuance of Bonds under the 1915 Act.

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 its jurisdiction and the issuance of Bonds under the 1915 Act; provided, that

(1) 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

(2) 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.

(3) 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: Jennifer M. Byers.

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. 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 7. 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.

PASSED, APPROVED AND ADOPTED this 17th day of March, 2015.

By: _____
Milt Stowe, Mayor

ATTEST:
John D. Lollis, City Clerk

By: _____
Patrice Hildreth, Chief Deputy City Clerk

RESOLUTION NO. 16-94

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF PORTERVILLE APPROVING, AUTHORIZING
AND DIRECTING EXECUTION OF AN AMENDED AND
RESTATED JOINT EXERCISE OF POWERS AGREEMENT

WHEREAS, the City has expressed an interest in participating in an economic development financing program in conjunction with the parties to that certain Joint Exercise of Powers Agreement Between Certain Counties in California Creating the California Counties Industrial Development Authority, dated as of November 18, 1987 (the "Original Agreement"); and

WHEREAS, due to broadened sponsorship for the programs (the "Programs") to be undertaken pursuant to the Original Agreement, it has been determined to amend and restate the Original Agreement pursuant to that certain Amended and Restated Joint Exercise of Powers Agreement Relating to the California Statewide Communities Development Authority, dated as of June 1, 1988 (the "Amended Agreement") to, inter alia, change the name of the authority established pursuant to Original Agreement and to modify the governance thereof; and

WHEREAS, there is now before this City Council the form of the Amended Agreement; and

WHEREAS, the City proposes to participate in the Programs and desires that certain projects to be located within the City be financed pursuant to the Programs and it is in the public interest and for the public benefit that the City do so; and

**ATTACHMENT
ITEM NO. 2**

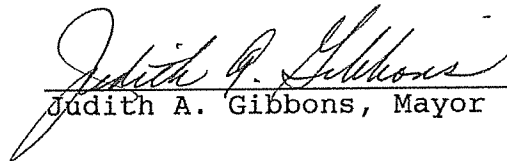
WHEREAS, the Amended Agreement has been filed with the City and the members of the City Council, with the aid of its staff, have reviewed said document.

NOW, THEREFORE, IT IS HEREBY RESOLVED, by the City Council of the City of Porterville as follows:

Section 1. The Amended Agreement is hereby approved and the Mayor and City Manager are hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such officials, and the City Clerk or Deputy City Clerk is hereby authorized and directed to affix the City's seal to said document and to attest thereto.

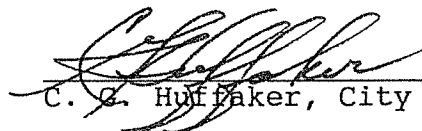
Section 2. The Mayor, City Manager, the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 3. This Resolution shall take effect from and after its date of adoption.



Judith A. Gibbons, Mayor

ATTEST:



C. G. Huffaker, City Clerk

STATE OF CALIFORNIA)

(SS

COUNTY OF TULARE)

I, C. G. HUFFAKER, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Council of the City of Porterville at a regular meeting of the Porterville City Council regularly called and held on the 15th day of March, 1994.

THAT said resolution was duly passed adopted by the following vote:

COUNCILMEN:	CLARK	GIBBONS	LEAVITT	GIFFORD	NICHOLSON
AYES:	X	X	X	X	X
NOES:					
ABSENT:					
ABSTAIN:					

C. G. HUFFAKER, City Clerk

By Georgia Hawley
Georgia Hawley, Deputy City Clerk

RESOLUTION NO. 54-2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE AUTHORIZING THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY TO ESTABLISH A COMMUNITY FACILITIES DISTRICT TO PROVIDE FINANCING FOR THE ACQUISITION, INSTALLATION AND IMPROVEMENT OF RENEWABLE ENERGY, ENERGY EFFICIENCY AND WATER CONSERVATION IMPROVEMENTS THAT ARE AFFIXED TO OR ON PROPERTY IN THE CITY, ACCEPT APPLICATIONS FROM PROPERTY OWNERS AND LEVY SPECIAL TAXES WITHIN THE TERRITORY OF THE CITY; AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Municipal Finance Authority (the "Authority") is a joint exercise of powers authority whose members include numerous local agencies in the State of California, including the City of Porterville (the "City"); and

WHEREAS, the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code, authorizes local agencies, including the Authority, to establish community facilities districts, levy special taxes and incur debt (as defined in the Act) to finance the acquisition, installation and improvement of energy efficiency, water conservation and renewable energy improvements that are affixed to or on real property and in buildings, whether the real property and buildings are privately or publicly owned (such improvements are referred to as "Facilities" in this resolution); and

WHEREAS, the Act authorizes local agencies to use an alternate procedure for forming a community facilities district and conducting an election on the proposition of authorizing bonded indebtedness and other debt for financing of Facilities, pursuant to which:

A. A community facilities district may initially consist solely of territory proposed for annexation to a community facilities district in the future, with the condition that a parcel or parcels within that territory may be annexed to the community facilities district and subjected to the special tax only with the unanimous approval of the owner or owners of the parcel or parcels at the time of annexation, or in compliance with other procedures established by the Act; and

B. The proposition to authorize bonded indebtedness may be approved by the owner or owners of a parcel or parcels of property at the time of annexation to the CFD pursuant to the unanimous approval described in 53328.1 of the Act or in compliance with other procedures established by the Act, pursuant to which no additional hearings or procedures are required, and each such unanimous approval shall be deemed to constitute a unanimous vote in favor of such proposition.

WHEREAS, the City desires that the Authority establish a community facilities district (the "CFD") under the Act within the City's incorporated areas, levy special taxes, issue bonds and incur debt in order to allow the owners of property in those areas that so choose (the

“Participating Property Owners”) to receive special tax financing for the acquisition, installation and improvement of Facilities on their property; and

WHEREAS, the Authority is willing to consider establishing the CFD, subject to receipt of a request for it to do so from the City; 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 Authority forming the CFD and providing financing for the acquisition, installation and improvement of Facilities on property in the incorporated territories in the City.

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

Section 1. On the date hereof, the City Council held a public hearing and hereby finds and declares that the issuance of bonds and other debt by the Authority for the CFD 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. The City hereby consents to the Authority’s formation of the CFD and the conduct of the special tax proceedings; provided, that the City will not be responsible for the conduct of any special tax proceedings, the levy of special taxes or any required remedial action in the case of delinquencies in related special tax payments, or the issuance, sale or administration of the bonds or any other debt incurred by the Authority for the CFD.

Section 3. The appropriate officials and staff of the City are hereby authorized and directed to make applications for the financing to be provided by the Authority through the CFD available to all property owners who wish to finance Facilities; provided, that the Authority 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’s General Manager from time to time, are hereby designated as the contact persons for the Authority: Community Development Director or assignee.

Section 4. 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 the Authority to implement the financing of the Facilities through the CFD for Participating Property Owners.

Section 5. 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 6. 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 the Authority.

PASSED, APPROVED AND ADOPTED this 5TH day of August 2014.

By:


Milt Stowe, Mayor

ATTEST:

John D. Lollis, City Clerk

By:


Patrice Hildreth, Chief Deputy City Clerk

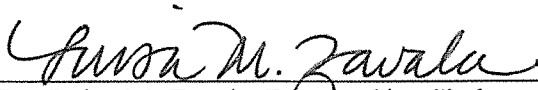
STATE OF CALIFORNIA)
 CITY OF PORTERVILLE) SS
 COUNTY OF TULARE)

I, JOHN D. LOLLIS, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Council of the City of Porterville at regular meeting of the Porterville City Council duly called and held on the 5th day of August, 2014.

THAT said resolution was duly passed, approved, and adopted by the following vote:

Council:	REYES	WARD	STOWE	HAMILTON	GURROLA
AYES:	X	X	X	X	X
NOES:					
ABSTAIN:					
ABSENT:					

JOHN D. LOLLIS, City Clerk


 By: Luisa M. Zavala, Deputy City Clerk