

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA DECLARING ITS INTENTION TO PARTICIPATE IN THE CENTRAL COAST ENERGY INDEPENDENCE PROGRAM, WHICH WILL ALLOW CITY PROPERTY OWNERS TO BE INCLUDED IN A COUNTY ASSESSMENT DISTRICT THAT PROVIDES FINANCING FOR PRIVATE ENERGY EFFICIENCY AND RENEWABLE ENERGY PROJECTS ON A VOLUNTARY BASIS

WHEREAS, the California Legislature amended the California Streets and Highways Code, authorizing cities and counties to assist property owners in financing the cost of installing distributed generation renewable energy sources or making energy efficient improvements that are permanently fixed to their property through a contractual assessment program;

WHEREAS, the City of Santa Barbara is committed to energy efficiency improvements and development of renewable energy sources, reduction of greenhouse gases, and protection of our environment;

WHEREAS, the City of Santa Barbara encourages residents and businesses to invest in energy efficiency improvements and explore the use of renewable energy, such as solar panels;

WHEREAS, the County of Santa Barbara is proposing to collaborate with the cities of Santa Barbara County to form a Central Coast Energy Independence Program;

WHEREAS, the County of Santa Barbara is not requiring a financial contribution from the City of Santa Barbara for initial program start-up or ongoing costs;

WHEREAS, the County of Santa Barbara has agreed to work with City staff on program parameters, including eligible projects and program promotion;

WHEREAS, the County of Santa Barbara is eligible to apply for Energy Efficiency and Conservation Block Grant (EECBG) funds under the California Energy Commission's EECBG Program on behalf of all cities in the County of Santa Barbara;

WHEREAS, the County of Santa Barbara is eligible to apply for State Energy Program funds for a municipal financing program on behalf of all cities in the County of Santa Barbara; and

WHEREAS, the City of Santa Barbara has considered the application of the California Environmental Quality Act (CEQA) to the approval for the energy efficiency project/s described in the Exhibit.

NOW, THEREFORE, be it resolved by the Council of the City of Santa Barbara:

1. The Council authorizes the County of Santa Barbara to submit applications to the California Energy Commission for grant funds for the Central Coast Energy Independence Program on behalf of the City of Santa Barbara along with other participating County regional agencies.

2. The Council of the City of Santa Barbara finds that the approval for the energy efficiency project described in Exhibit A is not a “project” under CEQA, pursuant to Public Resource Code Section 15378(b)(4).

## **The Central Coast Energy Independence Program – Project Definition for CEQA Compliance**

The proposed project would establish the Central Coast Energy Independence Program (CCEIP), pursuant to AB 811. The CCEIP would assist property owners with energy efficiency retrofits and installation of renewable energy projects to existing real property through *voluntary* contractual assessments, whereby Santa Barbara County would provide upfront capital for improvements to program participants. Contractual assessments would be paid off using property tax bills over a term of up to twenty years, and would be secured by an assessment lien. The lien would remain with the property upon resale, enabling subsequent owners to benefit from the improvements.

Residential and commercial property owners throughout Santa Barbara County, inclusive of all unincorporated communities and incorporated cities, are anticipated to participate in the CCEIP. To establish a contractual assessment, property owners would be required to follow a standard application process, whereby proposed improvements are reviewed by the CCEIP Program Administrator, and the ability of the property owner to repay contractual assessments is validated. The program is projected to fund approximately 400 applications per year for both residential and commercial retrofits, totaling approximately \$12 million in improvements. Contractual assessments are expected to average approximately \$30,000 per property; however, some projects, particularly commercial projects, are expected to qualify for larger amounts. Applicants must follow existing permit processes to install improvements, and quality assurance measures will be in place to ensure correct installation.