



To: Board of Supervisors

From: Jenine Windeshausen
Treasurer Tax Collector/mPOWER Program Administrator

Date: January 20, 2015

Subject: mPOWER Placer Program Report

Action Requested:

Accept a program report and hear a presentation on mPOWER Placer.

Background:

On June 18, 2013 your Board passed a resolution to lift the suspension of the mPOWER residential program. On July 10, 2013, the residential program announced that residential applications would be accepted again. Over the past 18 months, as of December 31, 2014, the mPOWER program has:

- accepted 1,059 applications totaling \$33,944,811
- approved 725 applications totaling \$25,380,490
- funded 603 applications totaling \$19,920,687
- 194 contractors have participated in the program with active or funded applications
- expanded into the City of Folsom
- enrolled in the California PACE Loss Reserve program
- continued to monitor FHFA issues
- commenced activities to identify long-term financing alternatives

Program Reporting: Attached are a program statistical report and a program financial report for the month ended December 2014 which includes data from program inception. Future reporting will include a monthly statistical report and a quarterly financial report.

The financial summary reflects revenues and expenditures from program inception (March 2010) through December 31, 2014. Specifically, from program inception through December 31, 2014:

• Total revenues received	\$1,668,419
• Future Revenues from current assessments	\$4,339,139
• Total expenditures	\$3,264,287

The program's current cash balance is \$1,402,345, a portion of which will be used to substantially reduce the outstanding balance on the TRAN which is currently \$2,100,000.

PACE Loss Reserve Program: As of June 2014, the California Alternative Energy and Advanced Transportation Authority ("CAEATFA") launched the \$10 million PACE Loan Loss Reserve Program. Pursuant to a resolution of your Board on March 25, 2014,



mPOWER enrolled in the program at its inception. The Governor and the state legislature established the PACE Loss Reserve Program to protect lenders in an effort to address concerns expressed by the Federal Housing Finance Authority (the "FHFA"). The CAEATFA Loss Reserve Program provides reimbursement to lenders who experience a loss as a result of a PACE lien. Lenders often pay delinquent property taxes or pay property taxes on foreclosed property. Lenders who experience an unrecovered loss due to a PACE lien will be reimbursed by the PACE Loss Reserve Program.

The fee associated with this program was 0.25% on the amount of each assessment which mPOWER has passed on to each property owner. The new State Treasurer has indicated that he will be moving to eliminate this fee at the beginning of February. The Treasurer's Office further stated that the first remittance of fees scheduled for March would be eliminated. Therefore we are no longer charging the fee.

FHFA Issues: Other programs in the state continue to expand. mPOWER and other programs have been very successful and popular with property owners at the local level, however, the FHFA issues remain unresolved. On December 24, 2014, the FHFA issued its latest statement related to PACE. The statement reiterated the FHFA position that properties with a PACE lien were not eligible for purchase or guarantee by the Federal Home Loan Mortgage Company (FHLMC/Freddie Mac) or the Federal National Mortgage Association (FNMA/Fannie Mae) and stated that existing PACE liens need to be paid off prior to FHLMC or FNMA financing. While the statement contained strong language regarding FHFA's intent to protect FHLMC and FNMA, it is notable that this statement did not contain language used in prior statements which stated that all properties in a jurisdiction with an active PACE program were subject to more stringent underwriting. It also abandoned language indicating existing PACE liens would be required to be paid off.

Long-term Program Financing: The total amount for all applications received is \$33,944,811 which exceeds the original amount authorized to be funded of \$33 million. Over the past two months, the Treasurer's Office has initiated discussions with a number of investors and market representatives to arrange for remarketing of existing assessments and for financing of future assessments. The goal of these efforts is to initiate long-term relationships with a group of investors to provide ongoing financing. It is anticipated that a future item will be presented to your Board related to long-term financing options. In the interim, authorization from the Board for additional Treasury financing may be needed.

Fiscal Impact:
No fiscal impact, reporting only.

Attachment: mPOWER Program Statistical Report
mPOWER Program Financial Report



Statistical Report

December 31, 2014

<u>Assessment Applications:</u>	<u>Total</u>	<u>Residential</u>	<u>Commercial</u>
Total Applications Received:	1059 \$33,944,811	1031 \$24,983,937	28 \$8,960,874
Applications Approved:	725 \$25,380,490	712 \$22,553,857	13 \$2,826,633
Applications Funded:	603 \$19,920,687	591 \$17,845,149	12 \$2,075,538
Applications Denied:	51		
Applications Withdrawn:	157		

Total Applications Received in December: 44

Average Funded Application Amount for program:
 Residential: \$ 30,195
 Commercial: \$172,962

Average Approval Time: 35 – 45 working days

Number of Contracting Firms with Active or Funded Applications: 194

Est. Number of Construction Jobs Created = 398 Jobs (20 jobs/\$million)¹

An estimated 17.3 additional jobs are created from increased disposable income generated from decreases in utility costs.

Financed Improvements

798² = \$19,920,687

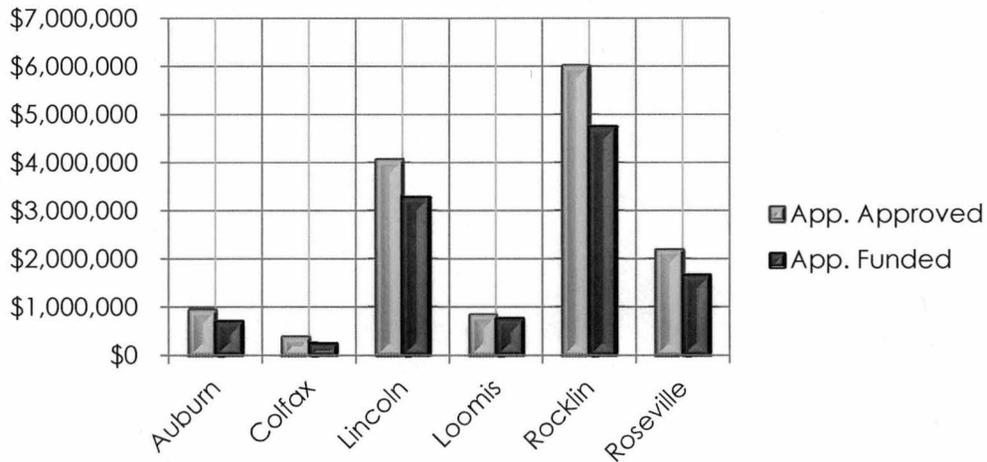
Solar PV	\$16,289,948	499
HVAC	\$1,852,480	117
Roof	\$452,922	18
Windows/Doors	\$454,226	40
Water Heater	\$290,438	25
Insulation	\$235,927	40
Pool Equipment	\$143,730	30
Custom	\$93,386	1
Water Improvements	\$73,831	17
Stove	\$24,883	5
Lighting	\$8,917	6

¹ American Council for an Energy-Efficient Economy

² 195 Applications funded include applications with multiple improvements financed

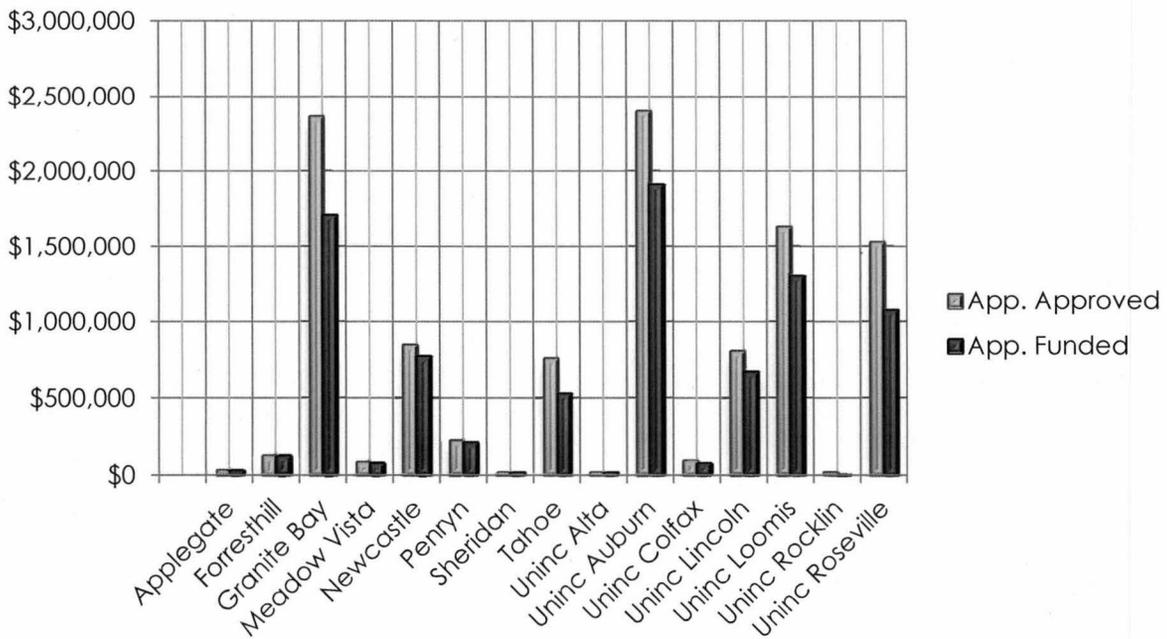
Applications Approved & Funded

By City as of December 31, 2014



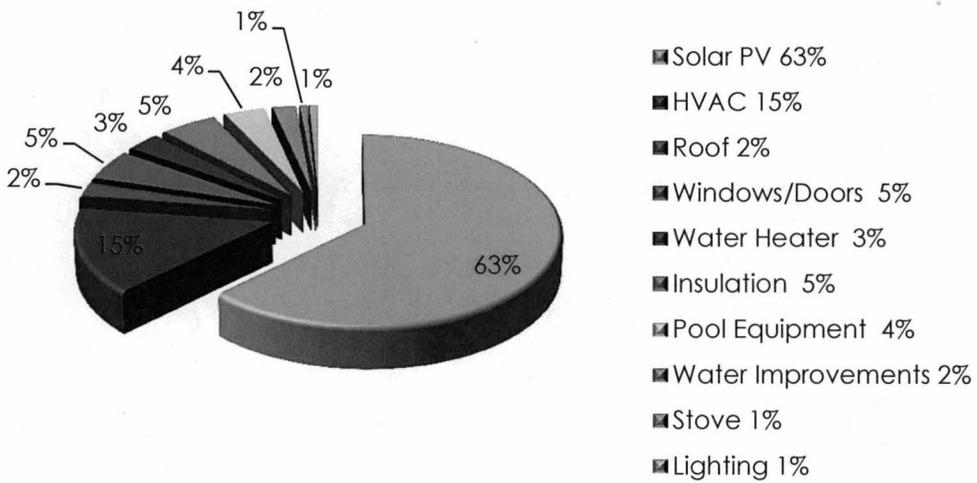
Applications Approved & Funded

By Unincorporated Areas
as of December 31, 2014



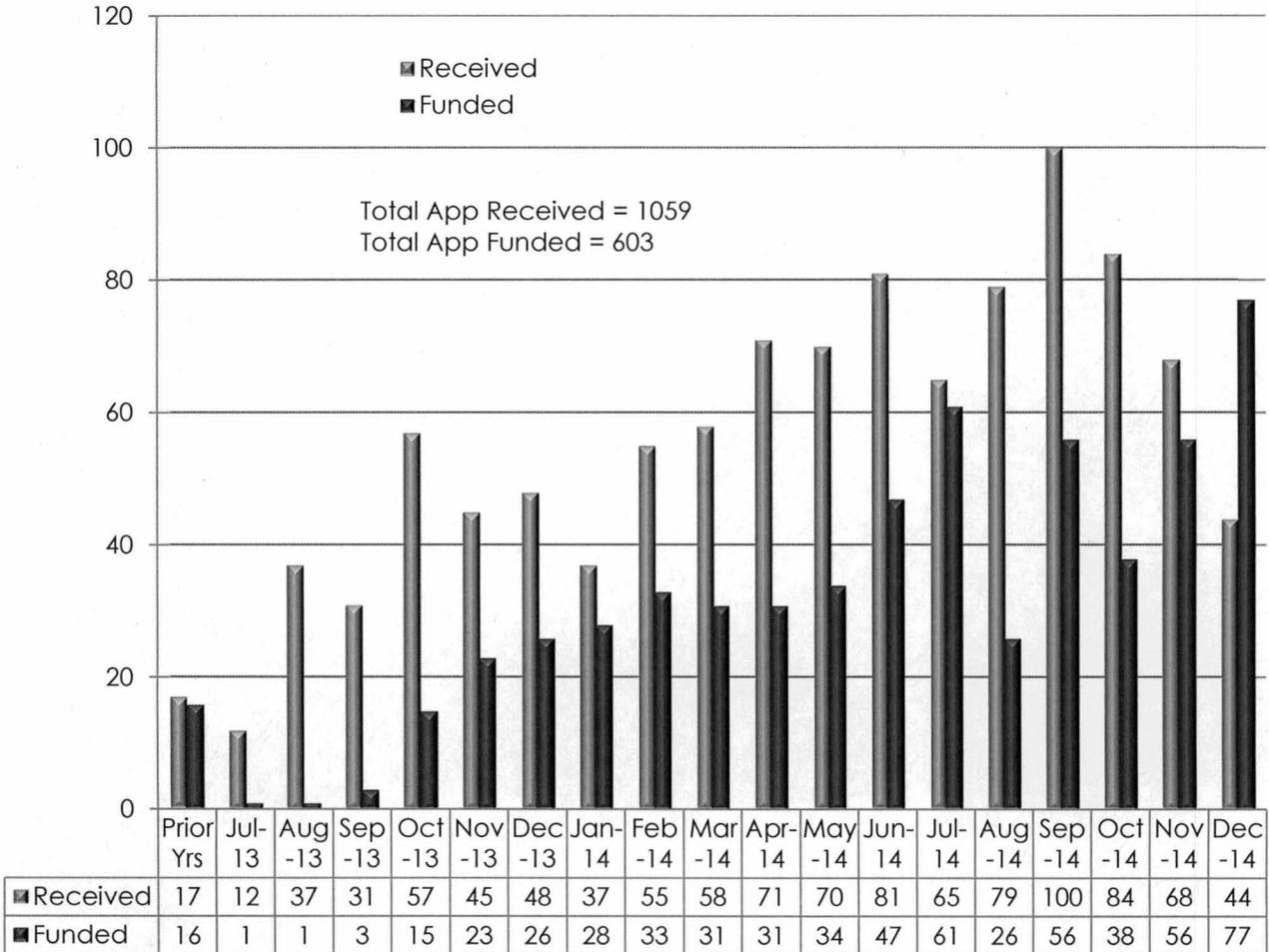
Financed Improvements

By Number of Projects
 As of December 31, 2014





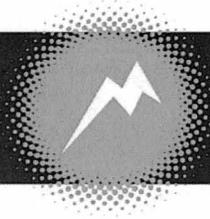
Number of Applications Received & Funded As of December 31, 2014





Summary of Funded Applications by District and Improvements As of December 31, 2014

	Funded	Solar	HVAC	Roof	Windows /Doors	Water Heater	Insulation	Pool Equip	Custom	Water Imp	Stove	Lighting
District 1												
Roseville	881,357	24	10	1	1	0	4	5	0	1	1	0
Uninc Roseville	193,927	7	0	0	0	0	0	1	0	0	0	0
	\$1,075,284	31	10	1	1	0	4	6	0	1	1	0
District 2												
Lincoln	3,275,143	111	13	1	2	1	6	1	0	3	0	0
Newcastle	151,939	3	1	0	0	0	0	0	0	0	0	0
Rocklin	1,628,459	53	11	0	3	2	2	6	0	1	0	0
Sheridan	15,228	0	1	0	0	0	1	0	0	0	0	0
Uninc Auburn	25,016	1	0	0	0	0	0	0	0	0	0	0
Uninc Lincoln	671,446	17	0	0	0	0	0	0	0	0	0	0
	\$5,767,232	185	26	1	5	3	9	7	0	4	0	0
District 3												
Loomis	756,536	17	5	0	1	1	2	2	0	0	0	1
Newcastle	615,788	18	3	0	0	0	0	0	0	0	0	0
Penryn	211,892	4	0	1	0	0	0	0	0	0	0	0
Rocklin	3,119,142	78	21	1	9	3	8	2	0	2	0	1
Uninc Auburn	509,432	11	2	0	1	5	1	0	0	1	0	0
Uninc Loomis	959,261	20	4	1	1	3	0	2	0	0	3	0
	\$6,172,049	148	35	3	12	12	11	6	0	3	3	2
District 4												
Granite Bay	1,706,797	36	10	3	4	0	4	1	0	1	0	2
Roseville	783,481	15	9	4	8	3	2	4	0	1	1	0
Uninc Loomis	346,213	5	2	0	0	0	1	1	0	0	0	0
Uninc Roseville	881,098	19	7	3	1	0	0	3	0	2	0	0
	\$3,717,589	75	28	10	13	3	7	9	0	4	1	2
District 5												
Applegate	29,462	0	1	0	1	0	2	0	0	0	0	0
Auburn	699,137	20	5	1	2	0	5	1	0	2	0	1
Colfax	257,515	5	0	0	0	0	0	0	0	0	0	0
Foresthill	122,789	1	2	1	0	2	0	0	0	0	0	0
Meadow Vista	79,444	2	1	0	0	0	0	0	0	0	0	0
Tahoe	530,335	0	2	0	1	1	0	0	1	0	0	0
Uninc Alta	15,911	0	1	0	0	0	0	0	0	0	0	0
Uninc Auburn	1,377,625	29	5	1	4	4	1	1	0	2	0	1
Uninc Colfax	76,315	3	1	0	1	0	1	0	0	1	0	0
	\$3,188,534	60	18	3	9	7	9	2	1	5	0	2
Grand Total	\$19,920,687	499	117	18	40	25	40	30	1	17	5	6



MPOWERPLACER
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Commercial Projects Approved
As of December 31, 2014

Location	Commercial Entity	Type of Improvement	Amount Approved
Colfax	Motel	Solar PV	\$145,186.00
Lincoln	Office Building	Solar PV	\$44,337.99
Loomis	Nursery	Solar PV	\$120,473.00
Rocklin	Pharmaceutical	Solar PV	\$92,085.93
Rocklin	Pharmaceutical	Solar PV	\$127,333.93
Rocklin	Mini Mart with Gas Station	Solar PV	\$117,000.53
Rocklin	Mobile Home Park	Solar PV	\$747,592.20
Roseville	Auto Care	Solar PV	\$100,000.00
Roseville	Office Building	Solar PV	\$72,000.00
Tahoe	Conference Center	Multiple Energy Efficiency Imp.	\$718,184.00
Uninc Auburn	RV Park	Solar PV	\$354,607.17
Uninc Auburn	Carwash	Solar PV	\$146,402.69
Uninc Lincoln	Agricultural	Solar PV	\$41,430.00
Total Approved			\$2,826,633.44

Financial Report

Summary of Revenues and Expenses As of 12/31/14 Actual and Estimated from Program Inception March 2010 - December 2014

Revenues Received:

(1) Revenue from assessments financed (Incl 55% of 14/15 levy)	\$ 554,510	
Revenue from pre-payment penalties received	14,742	
Revenue from processing fee received	290,339	
Grant received in 12/13	372,600	
Fee recovery (recording, title, TILA)	97,790	
Interest received from assessments	273,101	
Investment income from cash on hand	\$ 23,311	
Total Revenues to Date (actual through December 31, 2014)		\$ 1,626,393

Expenditures:

Start-up		
FY 09/10	\$ 128,155	
FY 10/11	67,425	
Administrative		
FY 09/10	303,539	
FY 10/11	355,930	
FY 11/12	499,393	
FY 12/13	425,448	
FY 13/14	970,155	
FY 14/15 through December 2014	\$ 514,242	
Total Expenditures for FY 14/15 through December 31, 2014		\$ 3,264,287

Unrecovered Cost to Date \$ (1,637,894)

Estimated Future Revenue:

(2) Total Estimated Future Net Interest Revenue from outstanding assessment: \$ 4,339,139

Estimated Net Revenues from mPOWER activities, actual through

12/31/14 (This is the amount of net revenues that would be received over the next 20 years if program were to cease as of 12/31/14.)

\$ 2,701,245

(1) These assessments have been financed and are being collected on current tax roll.

(2) Approved and funded applications placed on 15/16 roll, amount is estimated due to potential for prepayments.

Summary of Debt Balances

As of December 31, 2014

TRAN Not to Exceed Amount	\$ 2,100,000
TRAN Current Outstanding Balance (amount issued)	\$ 2,100,000
Cash Balance as of December 31, 2014 (unspent TRAN proceeds & revenues on	\$ 1,402,345
Bond Not to Exceed Amount	\$ 33,000,000
Bond Principal Amounts Issued (advances to property owners)	\$ 19,920,687

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