

Placer mPOWER AB811 Program Report and Administrative Guidelines

Summary (Attachment A)

**Board of Supervisor's Meeting
January 26, 2010**

Goals:

- To increase energy and water efficiency,
- To decrease energy and water consumption,
- To decrease utility costs for property owners,
- To increase energy independence,
- To increase investment in the local economy,
- To reduce greenhouse gas emissions.

Benefits:

- Reduces water and energy consumption,
- Reduces utility costs for property owners,
- Increases energy independence,
- Boosts the local economy,
- Reduces greenhouse gas emissions.

Program Administration:

- Authorizes the Treasurer-Tax Collector to enter into contractual assessments on behalf of the County and to administer the Program.

- Establishes the Program Steering Committee
 - Treasurer-Tax Collector staff (2)
 - County Executive (1)
 - County Counsel (1) (advisory)

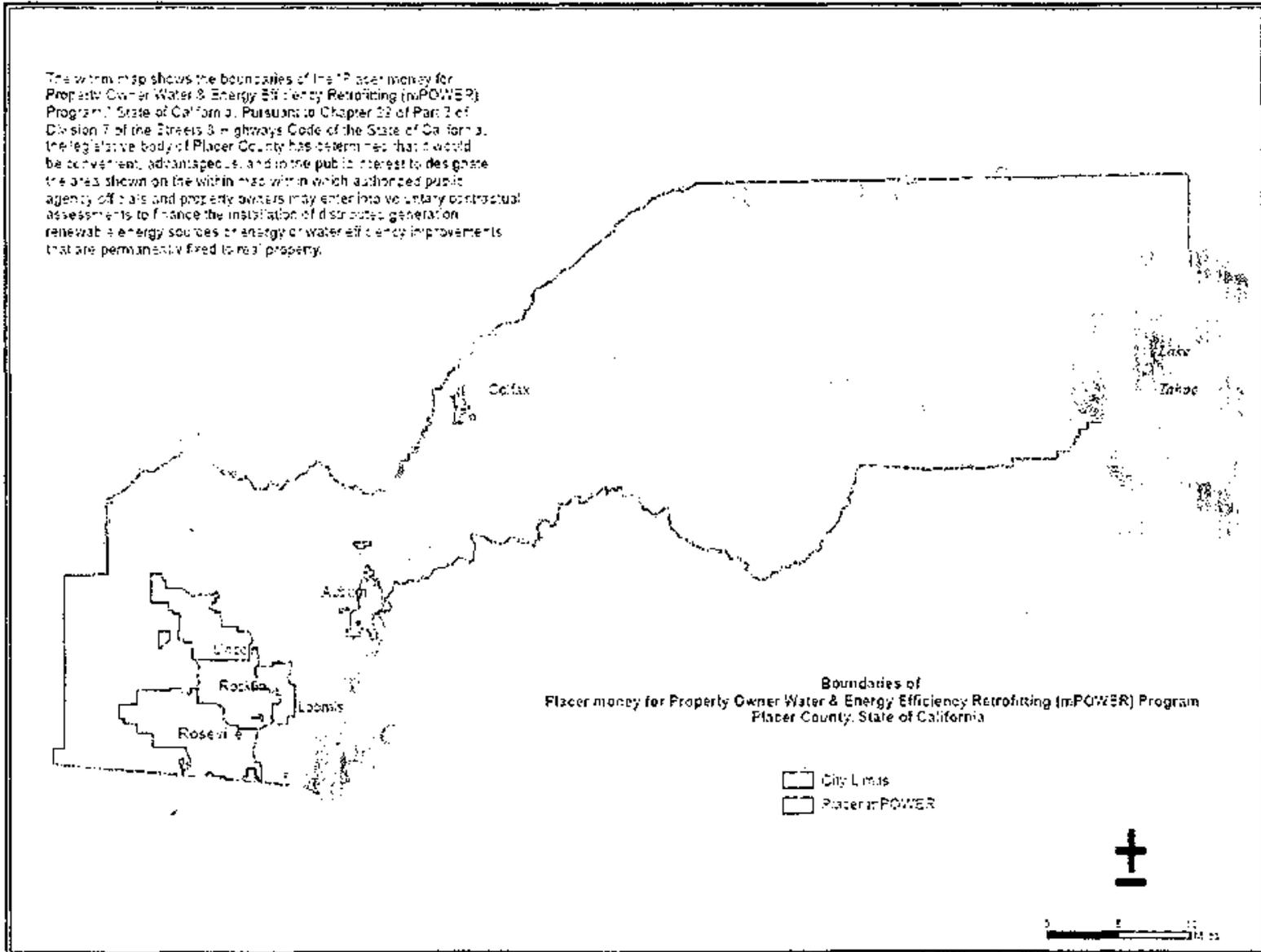
- Establishes assessment approval thresholds
 - Less than \$60,000 Program Staff and Treasurer-Tax Collector
 - \$60,000 to \$500,000 Program Steering Committee
 - Over \$500,000 Board of Supervisors

- Program location: Community Development and Resource Agency Building

- Main Program Staff Responsibilities
 - Community outreach and education,
 - Responding to property owner inquiries
 - Processing applications,
 - Managing and tracking available funding
 - Tracking and reporting program results

Geographic Boundaries:

All of the territory of Placer County including all incorporated areas



Eligibility and Requirements:

- Only property owners eligible to apply
- Current on property taxes for past three years
- No bankruptcy for at least five years
- Current on mortgages and no notice of default for past five years
- No involuntary liens
- No civil court record of failure to pay property related debts
- Lender consent required
- Assessment cannot exceed 10% of property value plus the value of the improvements without lender consent
- Assessment cannot exceed equity without lender consent
- Aggregate tax rate cannot exceed 2%
- No public record of easements or covenants prohibiting the improvement
- Property owners can make multiple applications for funding

Eligibility

- Improvements
 - Energy efficiency equipment,
 - Water conservation equipment,
 - Solar systems (distributed generation renewable energy equipment)
 - Other custom measures
 - Funding may include funding for multiple improvements
- Participation requirements:
 - Improvements must be permanently affixed to real property
 - Pursuant to available grant funding, the program may provide HERS audits to property owners
 - All applicants will be required to attend an information seminar. Seminar contents:
 - Program information
 - Financing alternatives
 - Consumer information on selecting a contractor
 - Energy efficiency loading order

Eligible Costs and Program Fees

- Costs allowable for funding
 - Energy audits,
 - Labor,
 - Design,
 - Drafting,
 - Engineering,
 - Permit fees,
 - Inspection fees,
 - Recording fees,
 - Public records search and title report costs.

Program Fees

- Public Record Search and Title Report costs; Regular costs are \$65 for projects under \$5,000, and \$215 for projects \$5,000 and over, but less than \$500,000. Over \$500,000 an estimate will be provided by outside contractor.
- Recording fee for the two documents required to be recorded in the real property records to evidence the contractual assessment: (i) the Notice of Assessment and (ii) the Payment of Contractual Assessment Required. The recording fee is set by the Recorder's Office, and is currently \$9.00 for the first page and \$3.00 for each page thereafter.
- Assessment collection and processing costs will be added to the annual assessment on property tax bills. These costs are 1% of the annual assessment plus \$10. This cost was determined after consultation with the County Auditor-Controller's Office.

Program Parameters

- Financing terms available up to 20 years
- Minimum assessment contract \$2,500
- Maximum assessment contract: no maximum, amounts over \$500,000 subject to Board of Supervisors approval.
- Maximum portfolio
 - Initial commitment \$33 million
 - Maximum commitment \$50 million
 - Maximum percentage of Treasurer's Investment Portfolio, 5%
 - Assessment interest rate to be provided with financing documents for Board approval
 - Changes in interest rate set by Treasurer-Tax Collector, ratified by Board of Supervisors

Delinquent Assessment Collections

- Delinquent assessments collected using the laws and powers authorized for collecting regular property taxes and assessments.
- Where bonds have been sold to finance assessments, delinquent assessments may be collected through foreclosure proceedings to protect bondholders.
- Placer mPOWER Program is currently subject to the alternative tax distribution plan known as the Teeter Plan.

Financing Strategy

- The County Treasurer will establish the Placer mPOWER Fund (“the Fund”) and may accept funds from any available source and may disburse the funds to eligible property owners for the purpose of funding Energy and Water Conservation Improvements.
- Repayments will be made pursuant to Assessment Contracts between the property owners and County of Placer and will be collected through the property assessment mechanism in the Placer County property tax system.

Financing Strategy

- The Placer County Public Financing Authority will issue bonds in the amount of \$33 million.
- The Placer County Treasurer will purchase the bonds as a Treasury investment
- The Placer County Public Financing Authority will use the proceeds from the bond sale to enter into a lending agreement with Placer County to provide funding for the Placer mPOWER Program.
- Placer mPOWER will use the loan proceeds to provide assessment financing to property owners.
- Property owners will repay the assessment on the property tax bills
- The County will use the assessments collected on the property tax bill to repay the loan to the Financing Authority.
- The Financing Authority will use the loan repayments to make debt service payments on the bond.

Changes to the Report

- The Treasurer-Tax Collector may make changes to this Report that the Treasurer-Tax Collector reasonably determines are necessary to clarify its provisions.
- The Treasurer-Tax Collector may modify from time to time the Eligible Improvements List, Assessment Contract and Application, as deemed necessary by the Treasurer-Tax Collector to effectuate the purposes of the Program.
- Any changes to this Report that materially modify the Placer mPOWER Program will only be made with the approval of the Board of Supervisors.