



mPOWER PLACER

SAVE MONEY. CONSERVE ENERGY. CREATE JOBS.

To: Board of Supervisors

From: Jenine Windeshausen
Treasurer Tax Collector/mPOWER Program Administrator

Date: March 11, 2013

Subject: mPOWER Placer Program Report

Action Request:

Accept a program report on mPOWER Placer.

Background:

On June 18, 2013 your Board passed a resolution to lift the suspension of the mPOWER residential program and passed a resolution authorizing the issuance of a Tax and Revenue Anticipation Note (TRAN) in an amount not to exceed \$2.1 million. The resolution lifting the suspension of the residential program included a provision for the Program Administrator to provide periodic reports to the Board.

On July 9, 2013, your Board conducted a public hearing and adopted a resolution authorizing an application processing fee of \$1,300 for non-residential project applications and \$500 for residential project applications. Only funded applications are subject to these fees. The Board also took actions related to the implementation of the SPARCS (Streamlined Project Application Review and Certification System) applicable to certain non-residential projects.

Attached for your review is a report including program statistics, financial report, and discussion. The discussion includes information on program expansion to other jurisdictions, SPARCS program development, the State of California's PACE Loss Reserve Program, and federal legislative efforts.

Fiscal Impact:

No fiscal impact, reporting only.



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Statistical Report As of January 31, 2014

Assessment Applications:

Total Applications Received:	283	\$15,199,938.51 ¹
Applications Approved (93.6%):	175	\$ 6,601,194.40 ²
Applications Funded:	112	\$ 4,178,243.82³
Applications denied:	13	
Applications withdrawn:	18	

Average Applications Received per Week: 9
 Average Application Amount: \$ 29,300.00

Average approval time: 10-15 working days

Number of Contracting Firms with Active or Funded Applications: 87

Est. Number of Construction Jobs Created = 34 Jobs (20 jobs/\$million)⁴

An estimated 17.3 additional jobs are created from increased disposable income generated from decreases in utility costs.⁴

Financed Improvements:

154⁵ = \$4,138,686

Solar PV	\$3,533,585	90
HVAC	\$308,676	26
Roof	\$96,262	5
Windows/Doors	\$89,152	9
Water Heaters	\$61,967	9
Insulation	\$24,573	5
Water Improvements	\$10,891	4
Pool Equipment	\$12,305	4
Lighting	\$1,275	2

¹ Includes 3 commercial applications totaling \$6,181,441

² high rate likely due to educational seminars and contractor screening

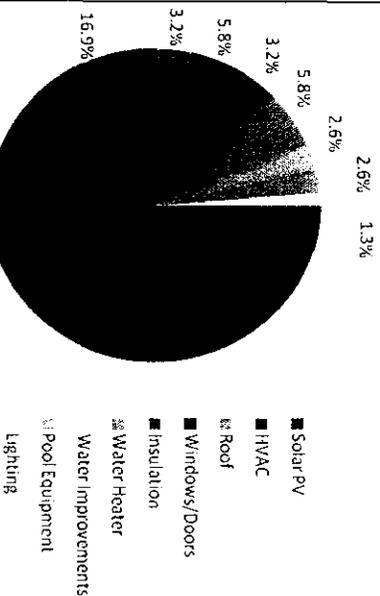
³ Includes \$39,558 fees and capitalized interest financed

⁴ American Council for an Energy-Efficient Economy

⁵ 112 Applications funded include applications with multiple improvements financed

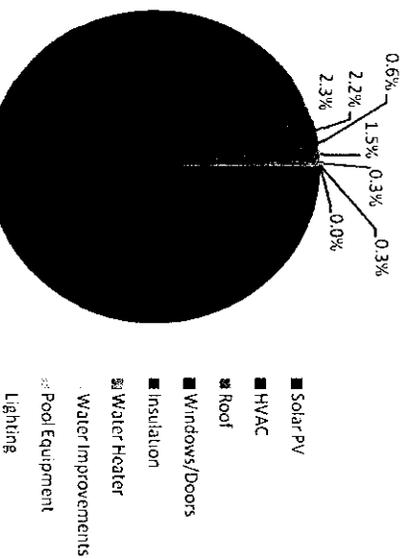
Financed Improvements

By Number of Projects



Financed Improvements

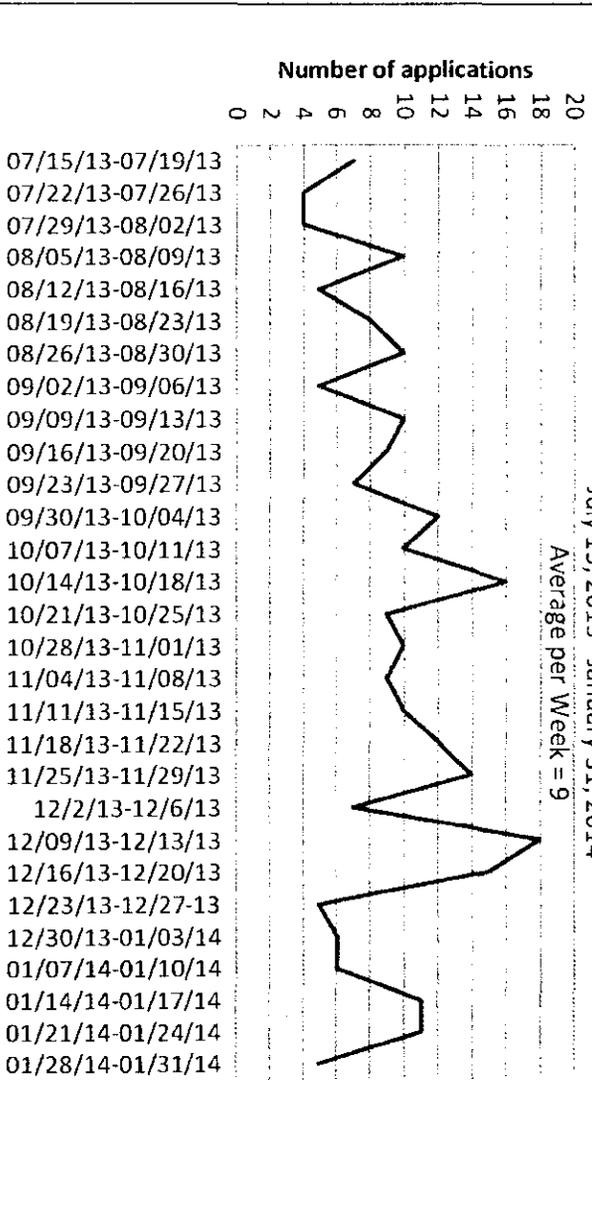
By Dollar Amount



Applications by Week

July 15, 2013 - January 31, 2014

Average per Week = 9





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Summary of Funded Applications by District and Improvements

Supervisor District	Location	Funded	Solar	HVAC	Water	Lighting	Windows /Doors	Insulation	Roof	Pool Equip	Stove	Water Heater
1		\$210,414	4	3						1		
	Roseville	\$210,414	4	3						1		
2		\$949,776	28	2	1			1				1
	Lincoln	\$560,323	16	2	1			1				1
	Newcastle	\$37,520	1									
	Newcastle/Penryn/Ophir	\$38,037	1									
	Rocklin	\$240,244	9									
	Uninc Lincoln	\$73,651	2									
3		\$1,025,167	24	8	1		2	1	1	1		3
	Loomis	\$286,777	5							1		
	Newcastle	\$114,413	3	2								
	Newcastle/Penryn/Ophir	\$49,102	1	1								
	Penryn	\$133,778	2						1			
	Rocklin	\$319,947	10	3	1		1					1
	Uninc Auburn	\$71,540	2	1			1	1				2
	Uninc Loomis	\$49,611	1	1								
4		\$853,477	17	6		1	5	1	2	2		2
	Granite Bay	\$466,672	10	2		1	2	1	1			
	Roseville	\$307,444	5	4			3		1	2		2
	Uninc Loomis	\$42,045	1									
	Uninc Roseville	\$37,316	1									
5		\$1,139,410	18	7	2	1	2	2	2			3
	Auburn	\$179,056	4	4	1	1		2				
	Colfax	\$154,096	1									
	Forest Hill	\$13,097							1			
	Foresthill	\$27,210		1								1
	Meadow Vista	\$52,588	1	1								
	Tahoe	\$13,825		1			1					
	Uninc Auburn	\$678,553	11		1		1		1			2
	Uninc Colfax	\$20,985	1									
Grand Total		\$4,178,244	90	26	4	2	9	5	5	4		9



Financial Report

Summary of Revenues and Expenses

As of 12/31/13, Actual and Estimated from Program Inception March 2010 - June 2014

Revenues:

(1) Revenue from assessments financed through 6/30/13	\$ 289,267	
Revenue from pre-payment penalties received through 12/31/13	4,804	
Revenue from processing fee received through 12/31/13	33,200	
(2) Revenue from processing fee estimated 12/31/13 - 6/30/14	92,300	
Grant received in 12/13	372,600	
Fee recovery, estimated through 6/30/14 (recording, title, TILA)	12,682	
Investment income from cash on hand	\$ 11,470	
Total Revenues to Date (actual + estimated through 6/30/14)		\$ 816,323

Expenditures:

09/10 Start-up	\$ 128,155	
09/10 Administrative	303,539	
10/11 Start-up	67,425	
10/11 Administrative	355,930	
11/12 Administrative	499,393	
12/13 Administrative	425,448	
13/14 Quarter Ended December 31, 2013	233,212	
13/14 Estimated Qtr 3 and 4	\$ 320,507	
Total Expenditures for FY 13/14 through Year-end		\$ 2,333,608.85

Unrecovered Cost to Date

\$ (1,517,286)

Estimated Future Revenue:

(3) Revenue from assessments on current tax roll & approved applications	\$ 2,951,991	
(4) Revenue from applications received as of 1/31/14	1,080,995	
Total Estimated Future Revenue from current assessments and applications		\$ 4,032,986

Estimated Net Revenues from mPOWER activities, actual through 12/31/13 + estimated through 6/30/14 (This is the amount of net revenues that would be received over the next 20 years if program were to cease as of 12/31/13.)

\$ 2,515,700

- (1) These assessments have been financed and are being collected on current tax roll. This cost recovery amount represents revenues to be collected through 6/30/14.
- (2) Estimate based on 250 assessments projected to be financed in 12/31/13 - 6/30/14 (6/week, currently averaging 8/week, applications received as of 11/6/13 = 145)
- (3) Approved applications will be funded & placed on 14/15 roll, amount is estimated due to potential for prepayments.
- (4) Estimate based on applications pending approval as of 12/31/13= \$2,417,304

Summary of Debt Balances

As of 12/31/13

TRAN Not to Exceed Amount	\$ 2,100,000
TRAN Current Outstanding Balance (amount issued)	\$ 2,100,000
Cash Balance (unspent TRAN proceeds & revenues on deposit)	\$ 551,000
Bond Not to Exceed Amount	\$33,000,000
Bond Principal Amounts Issued (advances to property owners)	\$ 4,178,243



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Discussion

mPOWER Placer in Other Jurisdictions

Based on interest expressed from other jurisdictions outside of Placer County, your Board authorized mPOWER Placer to be offered to cities and counties outside of Placer County's geographic boundaries. One of these jurisdictions is the City of Folsom.

The Folsom City Council has taken a number of formal actions in December of 2013 and January of this year to form a district within which to offer the mPOWER program. The City Council has authorized bonds in amount not to exceed \$50 million. It is anticipated that the Placer County Treasurer will purchase an initial amount of \$10 million in the form of a draw down bond to be drawn on as projects are financed.

The Folsom mPOWER program is expected to open to property owners in the City of Folsom's geographic boundaries in late March or early April.

SPARCS

The SPARCS program continues to be under development. Legal and financial effort is ongoing to support the necessary agreements and issuance of debt to investors in the program. Once the program legal and financial documents have been completed actual implementation will depend on qualified property owner applicants coming into the program.

State of California PACE Loss Reserve Fund Program

Last summer SB96 was enacted which authorized the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to create a risk mitigation program for PACE liens using \$10 million appropriated in the Budget Act of 2013. Entitled the PACE Loss Reserve Program, the purpose of the program and funding is to protect mortgage holders against losses due to defaulted PACE liens. The PACE Loss Reserve Program will provide mortgage holders the ability to make claims for losses they incur specially related to PACE liens. The intention behind this program is to address concerns raised by FHFA regarding potential risks to mortgage holders arising from PACE liens which have priority over mortgage liens.

mPOWER staff has worked closely with CAEATFA and other PACE stakeholders since last fall in the development of the Program regulations. On February 18, 2014, the CAEATFA Board adopted emergency regulations to expedite the implementation of the PACE Loss Reserve Program. It is expected that on March 7th the regulations will go into affect and the PACE Loss Reserve Program will begin accepting applications for enrollment in the program from existing PACE programs. Existing



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PACE programs who apply by the deadline and meet the Program's eligibility requirements will be allowed to grandfather-in all outstanding PACE liens in their programs without charge. All future liens from the time of enrollment will be charged a one-time administrative fee of 0.25% of the original principal amount of each new PACE assessment. The fee will be payable semiannually along with a semiannual report outlining the new PACE liens made during the reporting period.

CAEATFA has indicated that June 5th will be the last day for existing PACE programs to apply for participation in the program. Staff will return to your Board to recommend participation in the program and to recommend methodology for transacting the program costs.

Federal PACE Legislation

mPOWER staff continues to work with PACE stakeholders from around the country to implement legislation that would limit the ability of FHFA or other federal agencies to contravene in a capricious manner on local governments' ability to develop and implement prudently operated PACE programs. The legislative language is in bill form and efforts are being made to have the legislation introduced on a bipartisan basis. The Sacramento Metropolitan Chamber of Commerce has made PACE legislation a priority again this year in their 2014 Cap-to-Cap Program.