

Monthly Municipal Forum

Sonoma County's Commercial PACE Story

February 15, 2011





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Together, providing a platform for sharing PACE experience, education and information with others.

Welcome!

Today's agenda:

1. **Welcome and Introductions**
2. **National PACE Updates** (David Gabrielson, PACENow)
3. **Sonoma County's Commercial PACE Story**
Liz Yager, Manager, Sonoma County Energy Independence Program (SCEIP)
Chris Marrs and Catherina Minassian, Westlake Development Group

Discussion Items

- A. Overview of SCEIP and Program Metrics
- B. Criteria for Commercial Applicants
- C. Sources of Project Funding
- D. Marketing Activities
- E. Multi-Family Project: Testimonial from a Participant
- F. Challenges and Lessons Learned

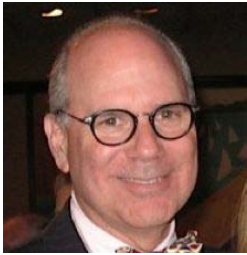


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Today's presenters:



David Gabrielson, Executive Director, PACENow

david.pacenow@gmail.com



Liz Yager, Program Manager, Sonoma County Energy Independence Program

Liz.Yager@sonoma-county.org

Taking Action - Resources

- **Help Frame Your Comments**

- PACENow Talking Points: [download](#) a pdf file
- View them [online](#)

- **No Time to Write Comments?**

- Use a Template Letter: [download](#) a pdf file

- **Additional Information**

- www.PACENow.org

Taking Action - Resources

- **Advance Notice of Proposed Rulemaking**

- Download: [Federal Register](#) in pdf form
- Online: [Federal Register](#) website

- **How to Submit Comments**

- By e-mail: to General Counsel Alfred Pollard at RegComments@fhfa.gov with subject line “RIN2590-AA53”
- Online: Comment directly or upload a file at the [Federal eRulemaking Portal](#) but it is advised to also e-mail to Alfred Pollard using the address and subject above
- US Mail: Alfred Pollard, General Counsel
- Attention: Comments/RIN2590-AA53
- Federal Housing Finance Agency, 8th Floor
- 400 Seventh Street, SW
- Washington, D.C. 20024

- **View Other Comments**

- Online: All comments are posted as submitted on the [FHFA website](#)

Sonoma County

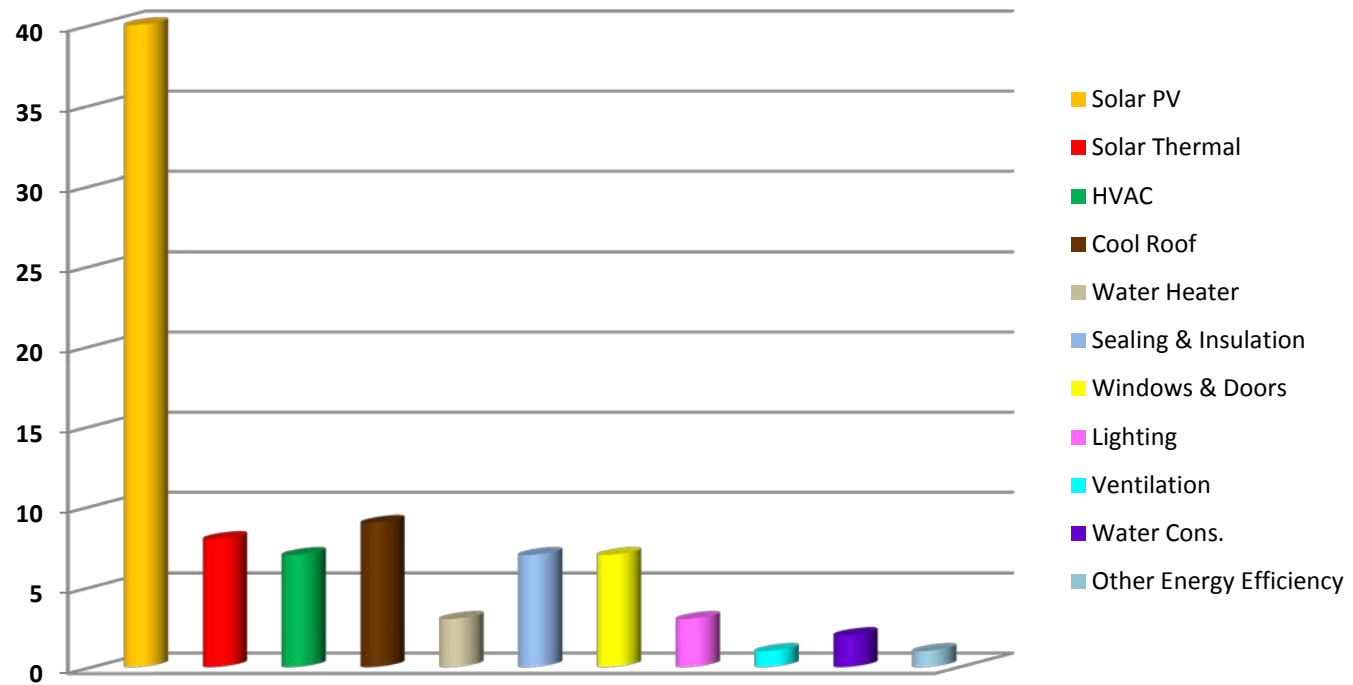
Energy Independence Program

- SCEIP opened March 2009
- County wide, comprehensive program
- Billed once a year as an assessment on your property taxes
- Wide range of both residential and commercial improvements eligible (> 85), energy efficiency, water conservation and renewable generation measures
- 52 Commercial participants, representing many different business types, funded between \$9,000 and \$2.3 Million



Reduce and Produce

52 Commercial Projects Funded by SCEIP \$10 Million, 88 Improvements



Impact

Jobs: 153 (ARRA), 22.83 Local Construction, 19 Lenders

Solar PV: 2 MW, 40 systems, 1,223 tons eCO2 annual reduction

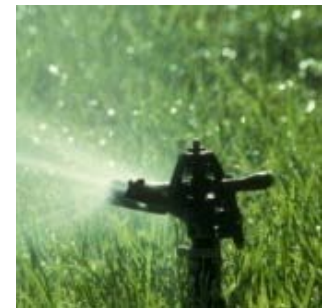
Who is Eligible?

- Improvements permanently affixed to the property
- Within geographical boundaries of the county
- Applicants are legal owner(s) of property
- Request less than 10% value of the property
- Commercial:
 1. Lender Acknowledgement
 - Of 52 properties, 20 had no mortgages
 - Lender ack. received from 23 unique lenders
 2. Utility Company Energy Evaluation
 3. Organizational Documents



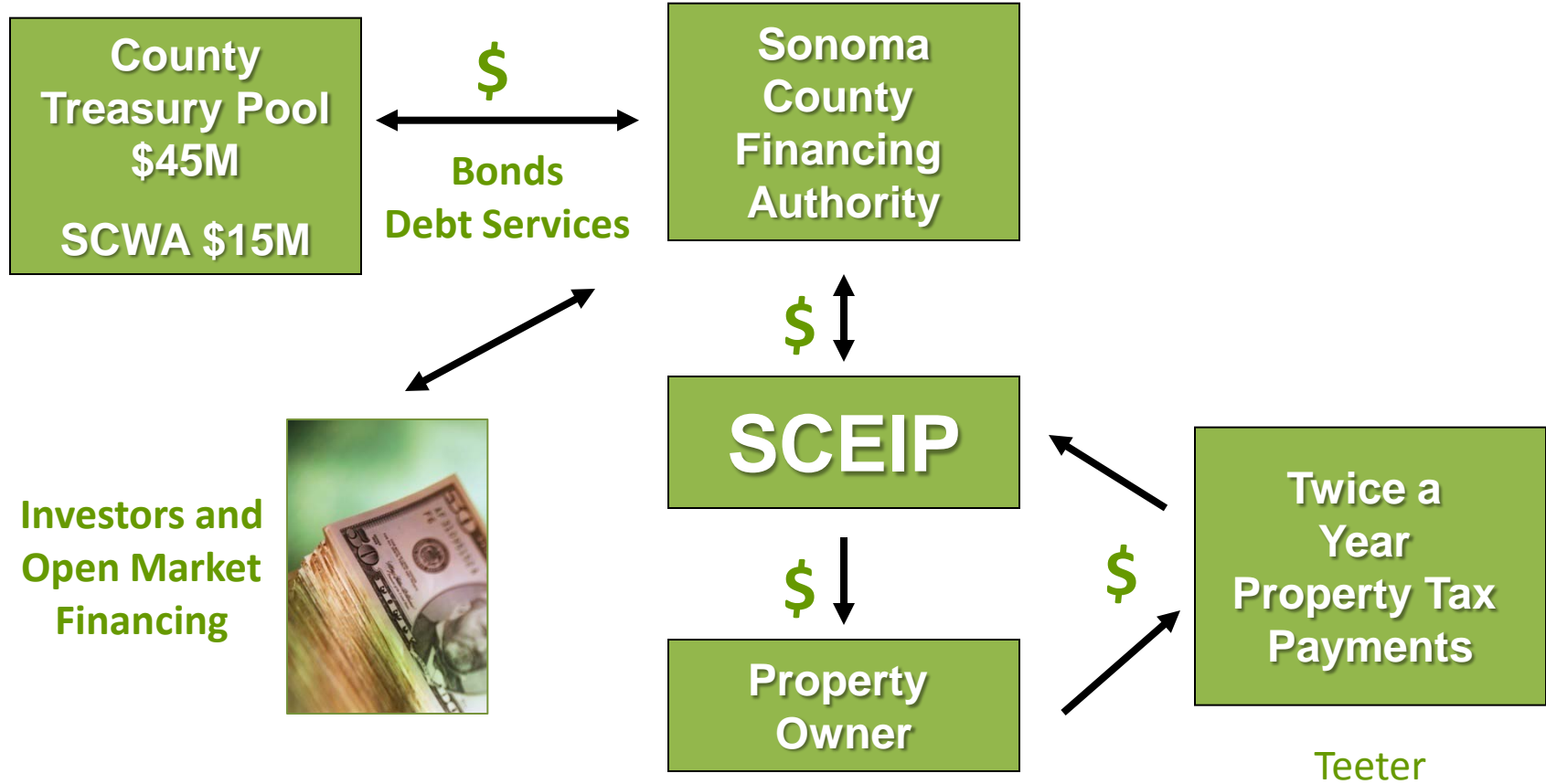
'Underwriting'

- No credit check required, No income qualifications
- Does not count against debt/income ratio
- No risk pricing; everyone pays the same fixed 7% simple interest rate, Interest may be tax-deductable (verify with your CPA)
- Less than 100% lien to value ratio
- No bankruptcy or involuntary liens on the property
- Current on ALL liens against the property
- Current on ALL property taxes

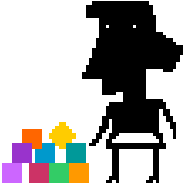


Reduce and Produce

Long Term Sustainable Financing Warehouse



To Build a Flourishing Program

- Community Goals
- Public, Private, Education and Non-profit collaboration
- Work with Stakeholders: Lenders, Contractors, Local Utilities
- Plan for a Storefront and/or Web Site
- Tools and Applications (Replication resources) 
- Administrators, Staffing, Steering Committee, Legal Team, Financing Team
- **Marketing, Education & Outreach!**

Marketing, Education and Outreach

- Leveraging incentives and tax credits
- Industry group presentations
- Direct mailers
- Tabling events
- Program partners (utilities, contractors, non-profits)
- Door to door cold-calling
- Website
- Word of mouth!



Multi-Family Residential Project

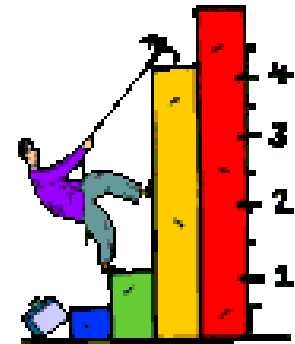
- Westlake Development Group: 10 multi-family properties in two counties
- Subject property: 7 buildings, 44 units
- Project: Exterior insulated siding, windows
- Approved amount: \$367,351, 20 yr term



- Application process began July 2011
- Contract signed and work began Nov. 16, 2011
- Projected completion: Spring 2012

Challenges / Opportunities

- Getting the message out
- Return on investment stories
- More robust energy evaluation tools for commercial properties
- Acceptance by banks and lenders
- Interest rate competition
- Long term financing options



The Future of Energy Independence

Some Possibilities:

- Increased commercial outreach
- Acceptance by federal regulators of Residential PACE
- Mandatory/incentivized audits of homes
- Partnership with utilities on joint efforts towards energy efficiency and distributed generation



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The screenshot shows the PACENow website interface. At the top, there are navigation links for Home, About, Calendar, Contact, and Resources. Below the navigation is a search bar and a 'Home' button. The main content area features a 'Welcome to Sonoma County's Energy Independence Program' message, followed by a 'Search Contractors' section with a 'Find qualified local service providers to do the work' sub-header. Below this are four circular buttons: 'My Action Plan', 'Find Rebates', 'Search Contractors', and 'Apply for Financing'. The dashboard also includes a 'Program Activity Dashboard' with various statistics and a 'Featured Video' section.

Program Activity Dashboard

WEBB ENERGY CONSULTING	
Applications Received	2
Funding Requests Paid	\$20,210
Applications Approved	0
Contracts Signed	0
Energy Analysis Package Applications Received	2
GLOBAL PROGRAMS ACTIVITY - ENERGY CONSULTING, 2017	
Applications Received	204
Funding Requests Paid	\$17,222,054
Applications Approved	179
Energy Analysis Packages Provided	118
Contracts Signed	176
Contracts Funded	\$4,490,287
GLOBAL INVESTMENT ACTIVITY - ENERGY CONSULTING, 2017	
Energy Efficiency	1478
Water Conservation	80
Generation	1011
Residential Improvement Funded by PACE (includes Energy Analysis rebates)	
Commercial Improvements Funded by PACE	70
FINANCIAL LOGICAL OPERATIONS SHARING JULY 1, 2017	
Improvements	210 of 280 (80%)
Dollar Volume	\$3,987,000

Join Our Newsletter!

Questions?

PACENow

www.pacenow.org

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Energy Independence Program**

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Future Forums

Mark your calendar for this upcoming webinar:

March 21, 2012: **Implementing Residential PACE**

