



R I V E R S I D E P U B L I C U T I L I T I E S

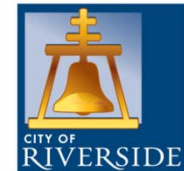
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## **AB-811 Symposium**

**February 9, 2010**

***Riverside, CA* Energy-H.E.L.P.**

WATER | ENERGY | LIFE

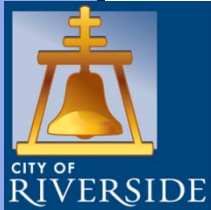


PUBLIC UTILITIES

## *Researching Loan Programs*

- **Berkeley**
  - Guide to creating a financing district
  - Seminar's with Renewable Funding
  - Provided step-by-step legal process
  - SB-279 (vetoed by Gov. Schwarzenegger)
  
- **Palm Desert**
  - Provided word versions of the EIP program
  - Insights (same county)
  
- **Riverside**
  - Riverside Energy-HELP
  - Energy-High Efficiency Loan Program
  - A Charter City Model





## *AB-811 vs. Charter City Model*

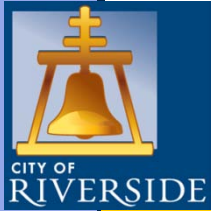
### AB-811

- Alters Chapter 29 of the Highways and Streets code
- Allows the formation of an Assessment District
- Allows general law cities to adopt similar programs
- Requires bond measures for significant interest
- Placed as a lien on the property
- Ambiguous as to whether property assessment will truly be senior to the mortgage

### A Charter City Model

- Amends the Riverside Municipal Code
- Creation of a Special Tax District
- Only Charter Cities may have this style of program
- Requires bond measures for significant interest
- Placed as a property tax lien on the property
- The loan, as a property tax, will be senior to the mortgage which will secure the money for the RPU





## *Riverside Program Distinctions*

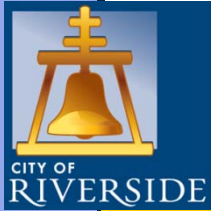
- **Combines two models into one program: E-HELP**
- **Program has tracks similar to Palm Desert**
  - Energy Efficiency, Solar, and Custom
  - Palm Desert challenged by PV demand
  - Energy Efficiency is prioritized
- **Berkeley's Model preferred for security**
  - Validation not necessary
  - Not an option for Cities without a Charter
  - Started specifically solar



## *Expanded Design*

- **E-HELP administered by RPU (Riverside Public Utilities)**
  - Energy Efficiency handle by utilities
  - EE before Solar
  - Life of the loan will not exceed the life of the measure
  - Rebates taken from loan amount
  - Collect energy savings
- **Pilot Program \$1 million**
  - Funded by RPU Public Benefit Funds
  - Pilot has \$10,000 cap
  - Full program has \$50,000 or 25% of property value

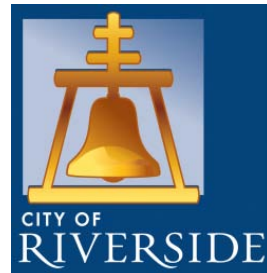




## Contact Information

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[www.GreenRiverside.com](http://www.GreenRiverside.com)



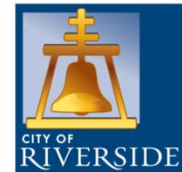


R I V E R S I D E   P U B L I C   U T I L I T I E S

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## *Frequently Asked Questions*

WATER | ENERGY | LIFE



PUBLIC UTILITIES



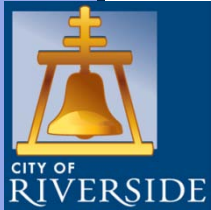
## *Frequently Asked Questions*

- *How does the loan program work?*

E-HELP will be administered by Riverside Public Utilities. Riverside Public Utilities will also play a role in advising the loan applicant about available rebates and best practices to maximize project efficiency.

After the property improvements are complete and the loan is issued the property owner will pay the loan back on their property taxes. The special voluntary tax is superior to the mortgage.



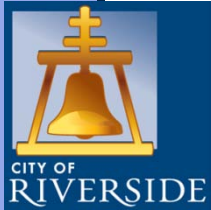


## *Frequently Asked Questions*

- *Are there maximum and minimum loan amounts?*

Yes, the minimum E-HELP loan is \$4,000. The maximum loan for a residential property will be \$50,000. There are also rebates available to participants in this program that will help increase the consumers' buying power. Currently, we will only be accepting residential applications.





## *Frequently Asked Questions*

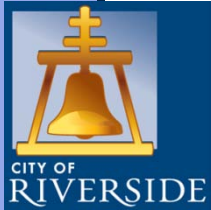
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- *Isn't now a bad time?*

Economically this is a challenging time. Fortunately, property owners are more aware than ever about the increasing advantages of conserving energy and money.

With home equity markets all but nonexistent this program will provide a means for property owners to improve the value of their house while helping reduce the load on the city.



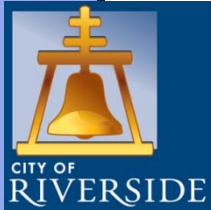


## *Frequently Asked Questions*

- *Are there concerns/risks for this money?*

Obviously with any loan program there are risks. However, if we allocate all available monies in the Energy- HELP pilot program we will have an equal value of energy efficient and energy improvements measures to attribute to the city of Riverside. Also as important to recognize the value that the Riverside Public Utilities gets to count towards AB2021 and other energy efficient measures.





## *Frequently Asked Questions*

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- *Why do we need this?*

There has been an increased awareness in the area of sustainability and over the past few years the City of Riverside has taken a stance on being at the forefront of all things green. There is an expectation within the City for Riverside to take a leadership role and like the green power premium, a voluntary program; this will allow Riverside to expand its repertoire of green oriented programs while not forcefully engaging customers.





## *Frequently Asked Questions*

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- *What if a property owner is using to increase value in anticipation of a sale?*

There are mechanisms in place to protect consumers from assuming a loan that is not a reasonable size for the property. While the borrower is allowed to sell the property after their participation in the program we anticipate that it will not only increase the value of the structure but make it preferable to an identical house without the same energy improvements in addition to increasing the quality of our City's property stock.





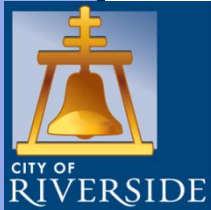
## *Frequently Asked Questions*

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- *What kinds of improvements qualify under this type of program?*

Various energy improvements ranging from wall insulation to solar systems will be available. Riverside Public Utilities will allow most of its energy rebate programs to participate in the financing district. There will also be an avenue for new technologies and other non-conventional measure to be investigated.



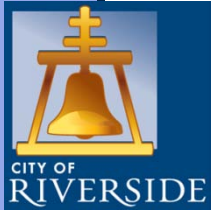


## *Frequently Asked Questions*

- *How is the life of loan determined?*

E-HELP loans are made available for up to 20-year terms to accommodate a wide range of efficiency measures and renewable energy investments. However, the life of the loan may not exceed the life of the improvement.





## *Frequently Asked Questions*

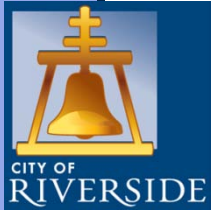
- *Are there loan qualifications?*

All owners of improved real property in the City of Riverside are eligible to participate in the program. Owners may bid out an energy efficiency job with a contractor, complete an application, and receive funding for the project. The contractual assessments are collected on the property owner's tax bills.

- *Do I still get a rebate for the energy improvements that qualify?*

Yes, all rebates will be taken off the principal amount of the loan in order to reduce the debt for the borrower while still providing the incentive for the property owner.





## *Frequently Asked Questions*

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- *What happens if I sell my property?*

The special tax obligation will remain as an obligation of the property when the property is sold. If the owner sells the property prior to the end of the 20-year tax period, the new owner takes over the special tax obligation as part of the annual tax obligation on the property. The energy improvements are part of the property and ownership of the energy system will transfer to the new owner at the close of the real estate sale.





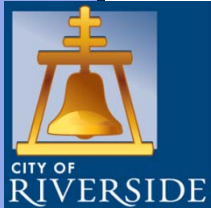
## *Frequently Asked Questions*

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- *What happens in the event of a default?*

In the event of a default the property will enter into a standard tax delinquent foreclosure procedure.





## *Frequently Asked Questions*

- *What are the program eligibility requirements?*

All property owners on title must agree to terms of the program and sign the required E-HELP documents. Property must not have any notices of default on mortgage, property taxes or any other type of financial obligation; no tax liens as a result of a failure to pay taxes within past 3 years and no current mechanic liens in excess of \$1,000.

Property must comply with the City of Riverside Residential Ordinances prior to the disbursement of payment for the solar installation.

Property owner is required to apply for and comply with the Riverside Public Utilities rebate program in order to receive a rebate on the cost of the program.

Property owner is required to consent to release of names and contact information to RPU billing information for the period of 18 months prior and following installation.





## *Frequently Asked Questions*

- *If I participate in the Riverside E-HELP program, can I still get other tax deductions, credits and rebates?*

Program participants are required to apply to the Riverside Public Utilities rebate program, which will help offset the total cost of your energy improvement project. The E-HELP program does not reduce the amount of the rebate available. Participants should consult a tax professional to determine whether income deductions or tax credits may be claimed on personal taxes.

- *Is the work subject to City approval?*

The Property owner notifies the RPU that all work has been completed. The RPU reserves the right to inspect completed work within 30 business days of receipt of notification that work is completed.

All work is subject to the City's Building Department permitting and inspections and all other applicable federal state and local laws and regulations. All work must be completed within 180 days of execution of the Loan Contract.

