

emPowerSBC

Lending partnership agreement and grant modification

Board of Supervisors August 9, 2011





Purpose

- Next steps in implementation of emPowerSBC program
- Consideration to:
 - Approve the financial lending agreement
 - Approve grant modification
 - Adopt privacy policy
 - Determine CEQA exemption



Context

- County recipient of Department of Energy grant
- Goals of the grant:
 - Create & retain jobs
 - Spur economic growth & long-term investment & build a strong economy
 - Make buildings more energy efficient and a better place to live & work

Program Design

Financing

Pair \$1m public loan loss reserve with up \$20m private capital to make affordable unsecured loans available to participants to finance energy efficiency, water conservation and renewable improvements.

Workforce Development

Connect participants to a trained and certified workforce.

Marketing & Outreach

Identify and outreach to target market (moderate income owners of older, single family homes with high utility rates in Santa Barbara County), using multifaceted, local marketing approach.

Data & Evaluation

Collect, analyze and report important performance metrics to track progress towards outcomes.





Financing Update

- Model uses \$1 million of federal grant funds for a loan loss reserve (LLR)
 - Provides loan default coverage
 - Leverages private capital 20:1
 - Offer attractive rates & terms to consumers for loans for energy efficiency projects and retrofits
- RFP process was completed & CoastHills Federal Credit Union selected
 - Agreement with Ventura County Credit Union to cover all residents of the County





LLR Agreement & Program Summary

- Eligible Participants
 - Owners of single-family homes throughout County
 - Meet basic loan underwriting criteria
- Eligible projects
 - Energy Upgrade CA energy efficiency and water conservation projects
 - Homeowners may opt to add solar projects



LLR Agreement & Program Summary

- Opportunity for Loans to Applicants
 - Underwriting for A+ to D Credit Scores
- Interest Rates
 - Starting at 5.90%
- Loan Amounts
 - Range from \$1,000 to \$25,000
- Loan Repayment Terms/Tenure
 - Up to 5 years, Up to 15 years
- Loan Loss Reserve Default Coverage
 - 90% of the loss, up to 5% of the outstanding portfolio



Other Program Components

Workforce Development

- Contractor recruitment for participation
 - Three Energy Upgrade CA/emPowerSBC Participation Workshops
 - Participation workshop in Ventura on August 25
 - Other building performance trainings to Santa Barbara County
- Efforts to partner with WIB, Energy Upgrade CA, educators and industry groups to bring in more trainings, assistance and incentives for contractors

Marketing

 With Board approval of agreement, begin deployment of phased marketing strategy to align with launch of financing program with CoastHills



Recommendations

Approve items A-D of the Board report