



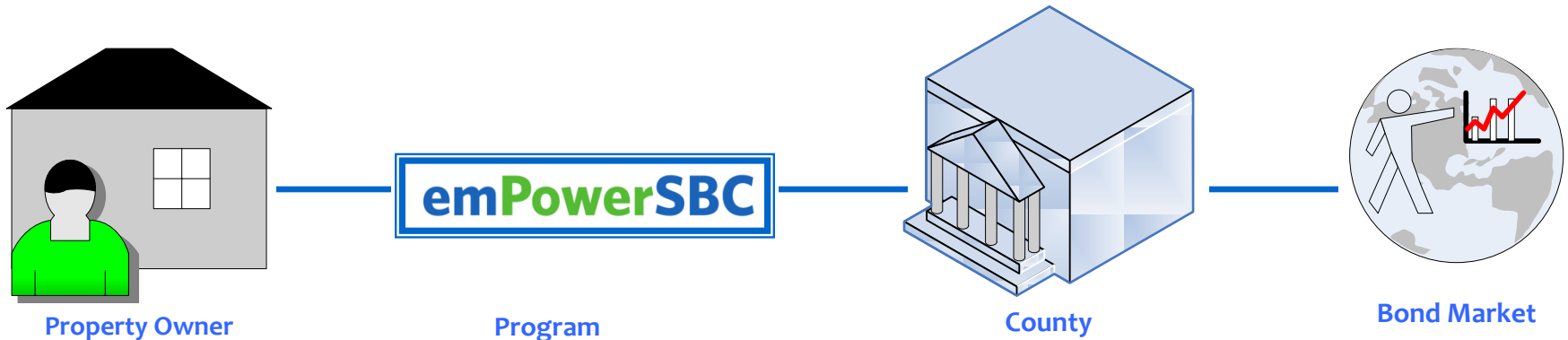
# Municipal Energy Finance Program Implementation: Establishing emPowerSBC

Santa Barbara County  
Board of Supervisors  
April 13, 2010



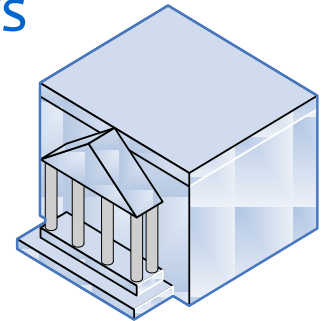
# emPowerSBC

- Strategic investment in economic development and resource efficiency across the region
- Voluntary, incentive-based, public-private partnership
- Provides upfront financing to empower residents and businesses to green their property



# Why is Local Government Getting Involved?

- 200 other local jurisdictions are developing programs
- Only government can offer this type of financing
- Traditional financing sources alone are not resulting in widespread retrofit activity
- Local governments are uniquely positioned to access bonds and grants to help finance improvements
- Federal and State guidelines will ensure consistent underwriting standards and program parameters



# What is the Cost?

- One-time **\$5M investment** to establish a revolving fund
- Represents approximately 1% of General Fund
- Leverages **\$160M of community enhancement**



# What is the Financing Plan?

- Based on Public Financial Management Report: *Analysis of Financial Implementation Alternatives*
- Separate financing pool for residential and non-residential
- **Interim financing:** General Fund advance to emPowerSBC Enterprise Fund to finance qualifying improvements after they are installed
- **Long-term financing:** limited obligation improvement bonds and/or Certificates of Participation
  - Taxable
  - QECBs
- Best approach is to preserve all options

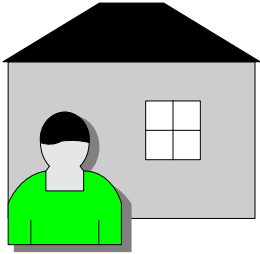


# What Are the Financial Risks to the County?

- County General Fund is protected in all cases
- Using strong underwriting criteria, only qualified property owners can participate
- **Worst case scenario:** County cannot issue long-term debt, program shuts down and General Fund repaid via property taxes (including interest)



# How Does it Work?



1 ————— Submits Application →



2 ←———— Approves Application—————

3 ————— Completes Work  
Submits Request for \$ →

4 ←———— Verifies Completion  
Provides \$, Assess Lien —————

5 ————— Paid on Property  
Taxes for up to 20 Years →

# What are the Benefits of the Program?

- Projected to create 900 jobs locally by 2020 in struggling construction trades
- Encourages new business development
- Property owners save money, improve their property and reduce their carbon footprint
- Achieves countywide resource efficiencies
- Ultimately emPowerSBC catalyzes \$160M in new economic activity throughout the region





# What are the Next Steps to Launch the Program?

- **Today:** Consider adoption of the Resolution Confirming the Program Report; approve Cooperative Agreements with 8 cities
- **After today:** Initiate judicial validation process, shift focus to customer experience and community outreach
  - Contractor Workshops
  - Earth Day Events
- **April 22, 2010:** Program Launch



# Resolution Confirming Report

- Approves the Program Report, which details administrative and legal requirements, including:
  - Program goals and benefits
  - Eligible improvements and underwriting standards
  - Boundary map
  - Assessment Contract
  - Financing plan and process
  - Consumer protection provisions
- Establishes the emPowerSBC program
- Authorizes execution of Assessment Contracts
  - \$100,000 and up requires Board approval



# Recommendations

- Receive and file a report from financial advisor Public Financial Management entitled “Santa Barbara County Municipal Energy Financing Program: Analysis of Financial Implementation Alternatives” (Attachment 1).
- Adopt the County of Santa Barbara Resolution Confirming Report Relating to the Financing of the Installation of Distributed Generation Renewable Energy Sources and Energy Efficiency and Water Efficiency Improvements and Approving and Ordering Other Related Matters (Attachment 2).
- Approve and authorize the Chair to Execute Cooperative Agreements to Implement a Contractual Assessment Program in the County of Santa Barbara with each of the eight incorporated cities within the County of Santa Barbara, enabling property owners to participate in emPowerSBC (Attachment 3).
- Adopt the emPowerSBC Identity Theft Protection Program (Attachment 4).
- Authorize staff to develop an emPowerSBC Privacy Policy.
- Direct staff to include the emPowerSBC program in FY 10-11 Recommended Budget.

