

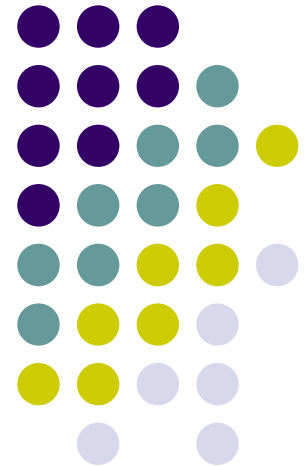


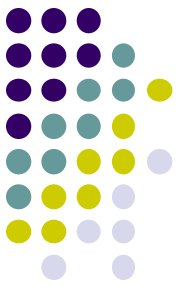
ClimateSmart™

LOAN PROGRAM

ACEC Meeting

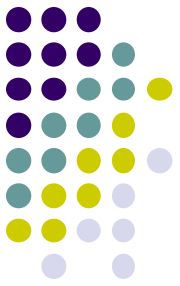
August 7, 2009





Basic County Information

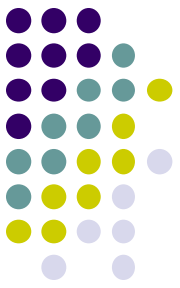
- Population: 300,136
- Land area: 474,320 acres (741.125 mi²)
- 67% of county land area is publicly owned—
nearly 89,000 acres of County Open Space
- Median SFH sales price (2007): \$217,900 (US)
\$323,000 (Boulder County)
- Political structure:
 - 3 County Commissioners, no County Manager
 - 10 incorporated municipalities



Why did Boulder County and partner municipalities create the ClimateSmart Loan Program?



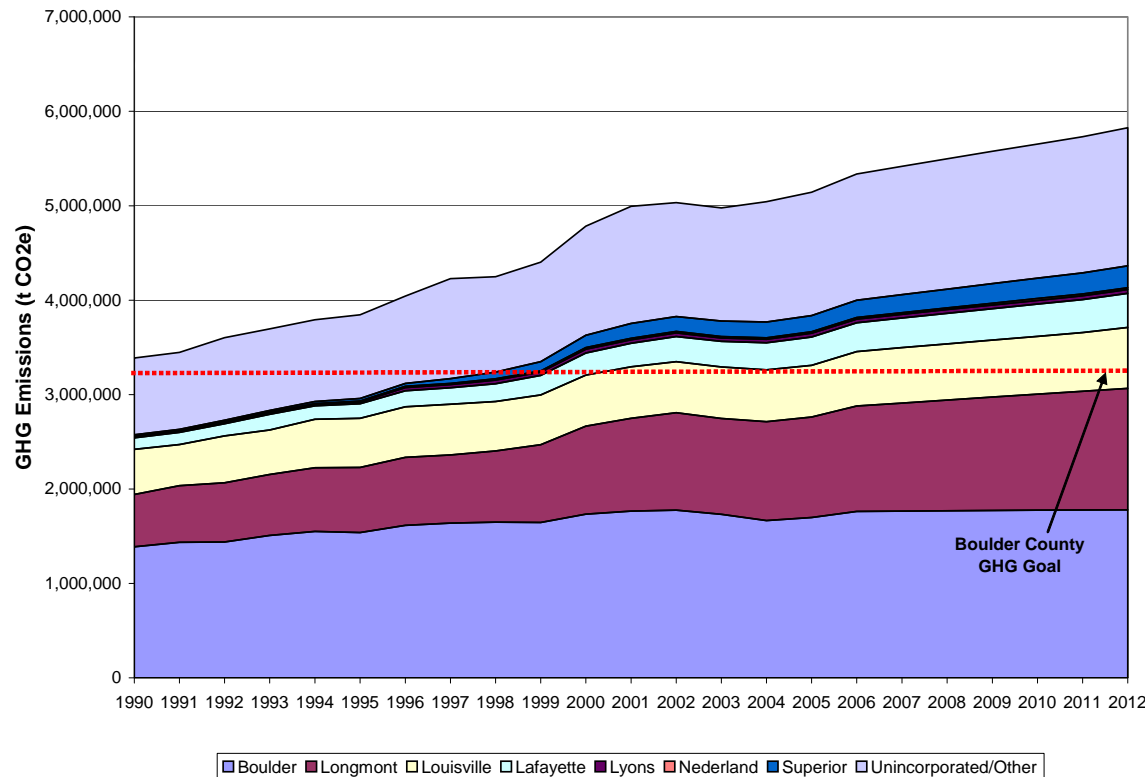
Local Impacts of Climate Change



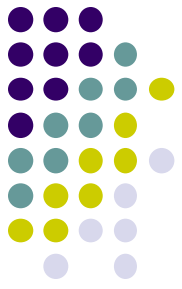
- Earlier snowmelt
- Longer droughts
- Increased flood risk
- More intense forest fires
- Large-scale beetle kill
- Loss of alpine meadows
- Loss of native species
- Visual impact
- Economic impact on tourism, ski industries



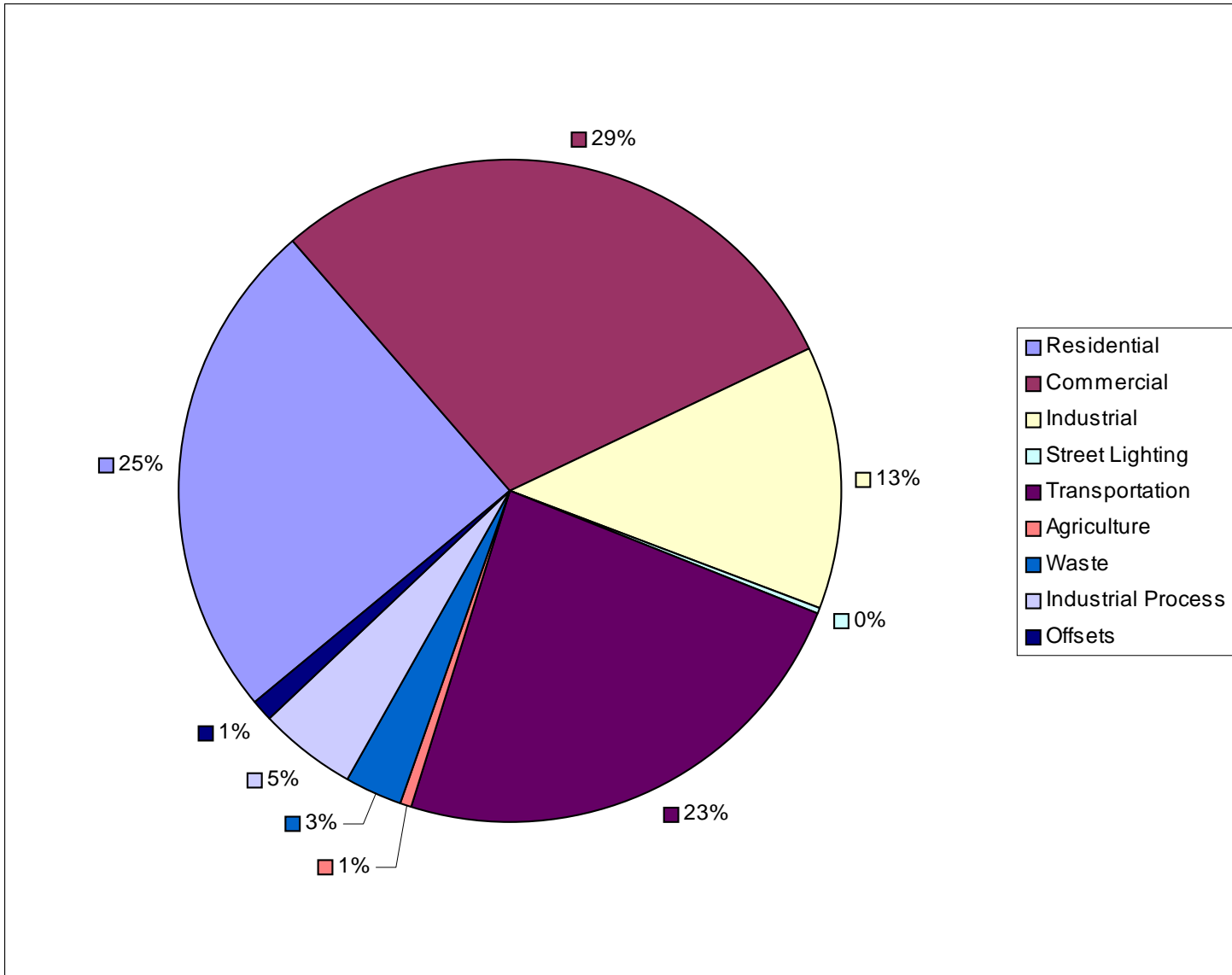
GHG Inventory Results:



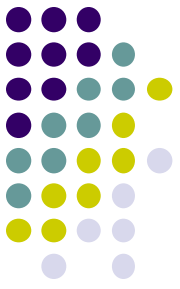
- Large increase in GHG emissions across the county.
- 2012 trajectory = **85% above** 1990 Kyoto target.
- Long term carbon neutrality goal.



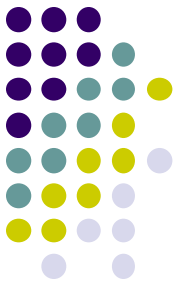
Boulder County's Emissions by Sector



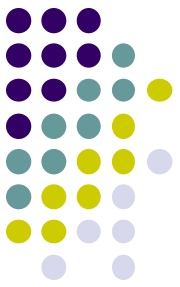
Sustainable Energy Plan



- Countywide CAP—adopted by county and 9 of 10 municipalities
- Criteria
 - Emissions reductions potential
 - Cost effectiveness
 - Equitable distribution across the main GHG sectors
 - Social equity – distribution of cost and benefits
 - Persistence
- Strategies include
 - Voluntary and support actions – public education/awareness
 - Statewide action
 - Local regulatory programs



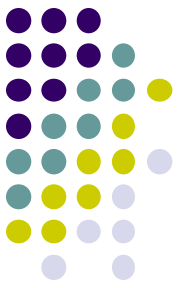
Program Basics



Program Purpose

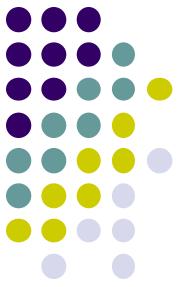
- To help residential and commercial property owners reduce their environmental impact and likely save money by providing full financing for energy efficiency improvements and installation of renewable energy technologies.
- Key strategy in Sustainable Energy Plan
- Authority: HB 08-1350 and County Ballot Measure 1A

Program Basics

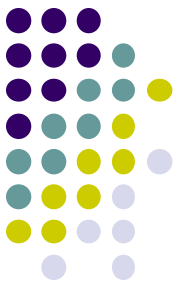


- Energy efficiency and renewable energy measures
- Special assessment placed on property—easy payment via property tax statement – repayment responsibility remains with the benefitted property
- Countywide pool of funds obtained through sale of bonds
- 15 year term
- Up to the full upfront cost of improvements is loaned
- Property owners opt in (minimized general fund impact)
- Complements rebate and incentive programs
- Property owner workshops and contractor briefings
- Utility bill release and program tracking

County Level Administration

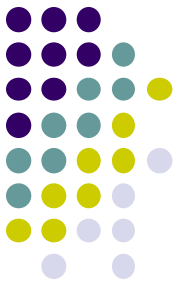


- Allows us to generate enough in loans to be cost effective (relatively small population county)
- Three elected offices: BOCC, Assessor, and Treasurer
- Opt in by municipalities
- Centralized staffing and messaging
- 6 electricity providers, 1 gas provider, and 11 building divisions (10 municipal and 1 county)



County Role

- Form countywide LID
- Refer ballot measure and manage bond sale process
- Receive VCA assignments and carry forward
- Program design with municipalities
- Market program with municipal and other partners
- Place special assessments and collect payments
- Continue to work at state and federal levels



Municipal Role

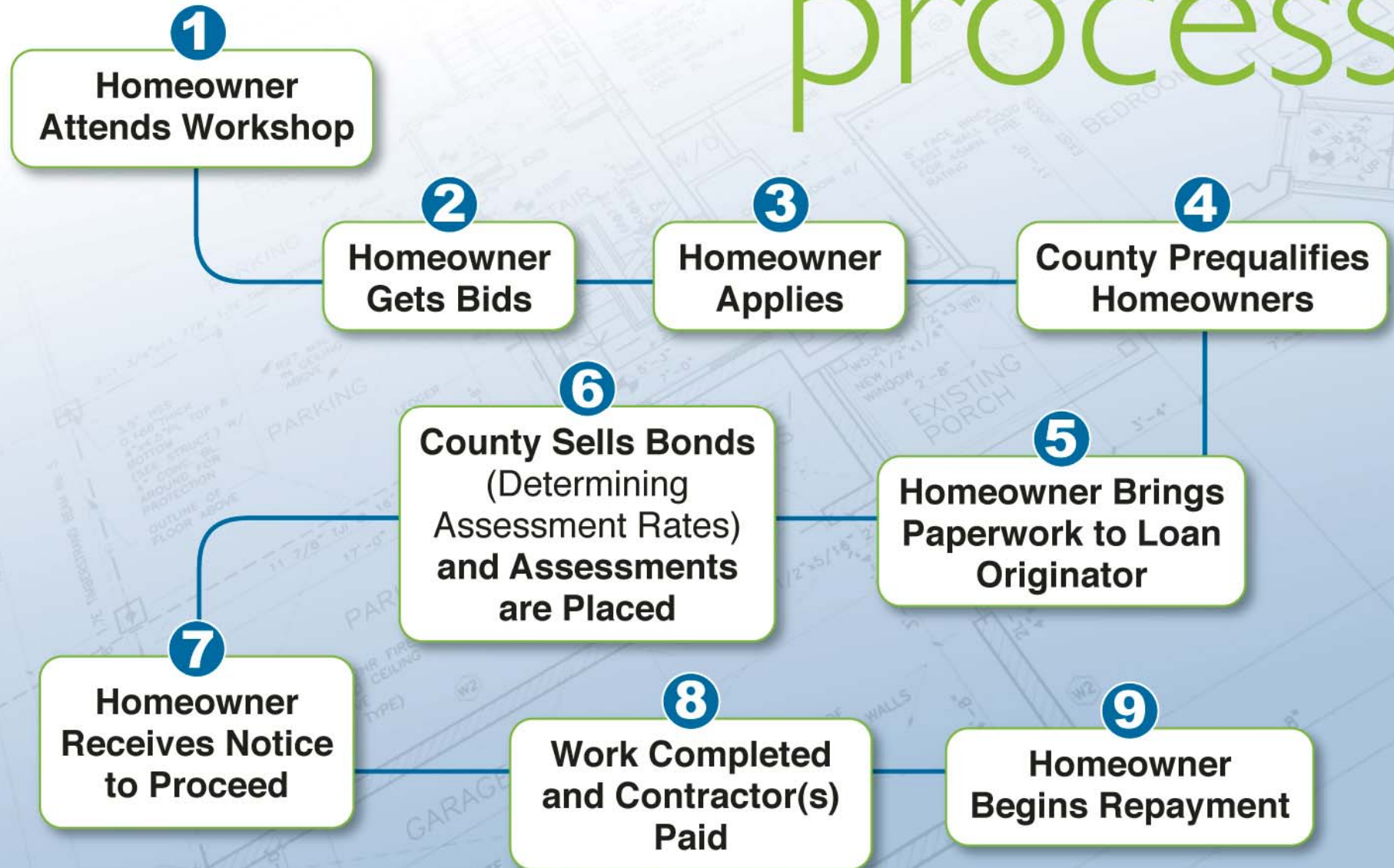
- Opt in by ordinance
- Assign VCA
- Participate in program design
- Market program to residents
- Permits and inspections

Role of Contractors, Vendors, and Installers



- Bids or written estimates (including “not to exceed” or “fixed cost” amount) by time of application
- No prepayments or deposits out of bond funds
- Payment directly to contractor upon completion of work and homeowner approval
- Property owner must complete the application
- Marketing the program to clients is encouraged

ClimateSmart loan program application & financing process





Eligible Measures

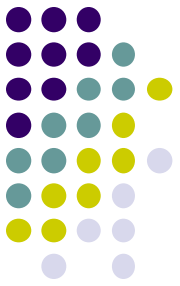
- Fixtures to property
- 40 measures allowed to meet different needs and desires
- Useful life must average 15 years or more under normal conditions (by traunch, not property)
- Minimum standards (on eligible measures list)
 - Attic example: upgrade to R-38 is the minimum value we will cover--R-50 is ok as well, but R-24 is not
 - Some items must be part of a package or may only be replacements

Eligible Measures: Energy Efficiency

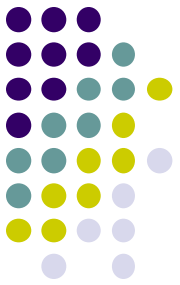


- Air Sealing and Ventilation
- Insulation
- Space Heating and Cooling
- Water Heating
- Lighting
- Daylighting
- Windows, Doors, and Skylights
- Reflective Roof
- Pool equipment and landscaping (open only)

Eligible Measures: Renewable Energy



- Solar Hot Water
- Solar Electric (PV)
- Small Wind
- Wood or Pellet Stoves

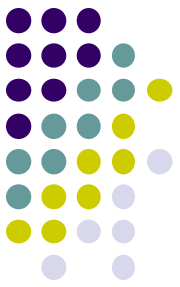


Residential Loan Sizes

- Minimum: \$3,000 per home
- Maximum:
 - Open Loans (funded by taxable bonds): 20% of statutory actual value of property or \$50,000, whichever is less
 - Income Qualified Loans (funded by tax-exempt bonds): \$15,000, as per federal law
 - Income Qualified Loans may be combined with Open Loans up to the Open Loan maximum

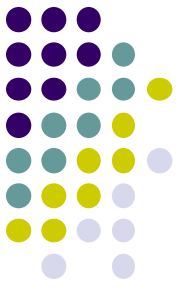


Loan Types and Assessment Rates



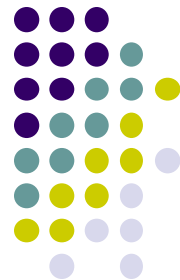
- **Open Loans** – can be applied to primary or rental properties (*funded by taxable bonds*)
- **Income Qualified Loans** – lower interest
– primary residences only (*funded by tax-exempt bonds*)

Term	Open (taxable)	Income Qualified (tax-exempt)
15 year	6.68%	5.2%

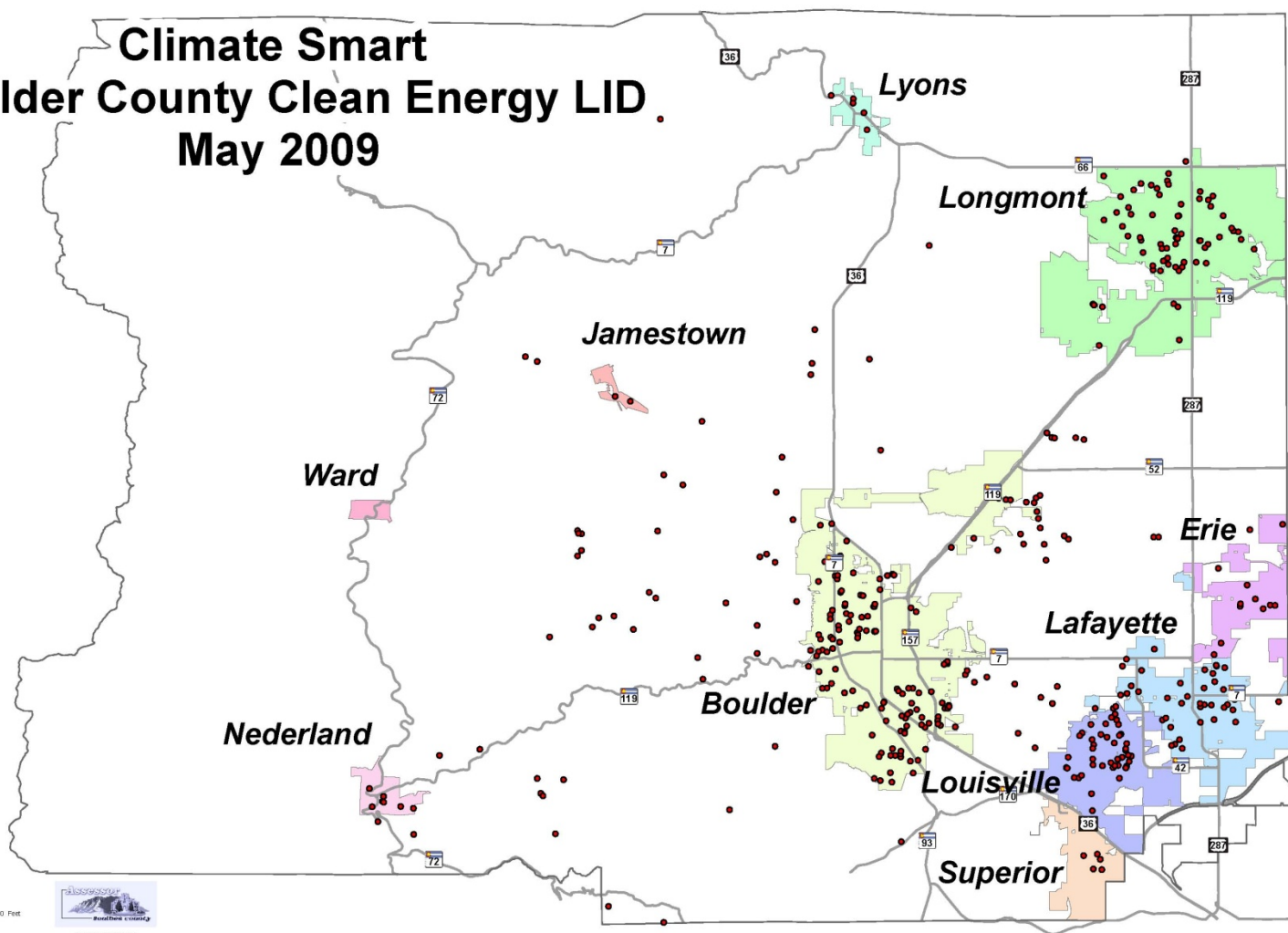


County Administrative Costs

- County costs for organizing and administering the program approximately \$100k to 110k /yr
- Intention is to create a self-sustaining program
- Borrowers will support the program through:
 - non-refundable \$75 application fee
 - origination fee (1-2% of loan value)
 - cost of issuance (about 3% of bond amount)
 - small portion of assessment rate
 - reserve fund and surplus and deficiency fund



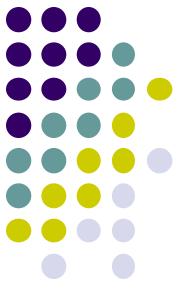
Climate Smart Boulder County Clean Energy LID May 2009



0 1,000 2,000 Feet

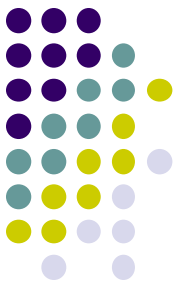


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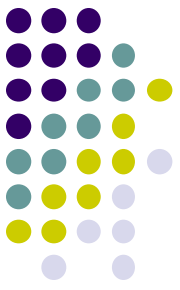
Program Capacity

- \$40 million already approved by voters through Ballot Measure 1A
- The County has apportioned \$28 million for residential properties and \$12 million for commercial properties
- Round One:
 - About 400 properties
 - \$6.6+ million
 - May 20 bond sale



Round Two and Beyond

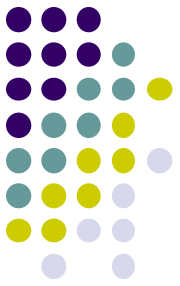
- Round two of residential will take place this fall
 - Workshops: July 28-Sept 1
 - Application period closes Sept 7
 - Origination Sept 11-21
- Stimulus funds were under consideration for marketing and workshops, but are insufficient for meaningful impact on rates
- Second ballot measure under consideration



Lessons Learned

- Lack of ability to guarantee a rate (or exact amount of fees) in advance makes borrowers uneasy
- New types of programs require significant amount of contact with participants and staff time
- Can impact local companies between program announcement and loan approval
- Can generate interest in EE measures, harder to manage than RE
- Program creates a ripple effect
- Local economic stimulus
- Need to keep working at the state and federal levels

Contact Information



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