

File No. 110409

Committee Item No. 1

Board Item No. 1

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date April 18, 2011

Board of Supervisors Meeting Date April 26, 2011

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Grant Information Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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Completed by: Alisa Somera Date April 15, 2011

Completed by: Alisa Somera Date April 19, 2011

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

1 [Accept and Expend Grant - GreenFinanceSF - \$372,600]
2

3 **Resolution authorizing the Department of the Environment for the City and County of**
4 **San Francisco to retroactively accept and expend a grant in the amount of \$372,600**
5 **from the California Energy Commission's State Energy Program through Ecology**
6 **Action to support GreenFinanceSF.**
7

8 WHEREAS, The San Francisco Public Utilities Commission staff, working in
9 conjunction with the Department of the Environment and the Controller's Office of Public
10 Finance, submitted an application to the California Energy Commission (CEC) State Energy
11 Program for financial assistance on behalf of GreenFinanceSF, the City and County of San
12 Francisco's municipal financing program for energy and water retrofits of privately-owned
13 buildings; and

14 WHEREAS, On February 10, 2010, the CEC announced the awards under the State
15 Energy Program, which included an award of up to \$2,080,000 for GreenFinanceSF; and

16 WHEREAS, In its Resolution No. 59-10, this Board of Supervisors accepted the CEC
17 State Energy Program grant award for GreenFinanceSF; and

18 WHEREAS, In its Resolution No. 008-10, this Board of Supervisors identified the
19 Department of the Environment as the administrator of the GreenFinanceSF program on
20 behalf of the City; and

21 WHEREAS, This Board of Supervisors has adopted legislation necessary to form an
22 opt-in Mello-Roos special tax district and to establish legal mechanisms and policies to govern
23 the implementation of a municipal financing program for retrofits of privately-owned buildings,
24 known as GreenFinanceSF; and
25

1 WHEREAS, Nationally this type of financing structure is known as Property Assessed
2 Clean Energy or PACE; and

3 WHEREAS, While PACE has the support from the United States Department of
4 Energy, the Office of the Vice President, and the more than twenty states that have enacted
5 PACE-enabling legislation, recent statements by the Federal Housing Finance Agency and
6 the Office of the Controller of the Currency questioning the security of residential PACE
7 financing have created a climate of uncertainty that threatens to derail the success of existing
8 residential PACE programs and imperils further uptake of PACE financing to support energy
9 efficiency retrofits and renewable energy generation; and

10 WHEREAS, As the result of these statements, the CEC has changed its funding priority
11 to focus on commercial properties only; and

12 WHEREAS, The CEC will issue a portion of the funds originally awarded to the City
13 and County of San Francisco on February 10, 2010 to the Local Government Commission,
14 which will then subcontract with Ecology Action; and,

15 WHEREAS, The CEC requires that the City and County of San Francisco Department
16 of Environment become a sub-awardee of Ecology Action; and

17 WHEREAS, The City and County of San Francisco continues to recognize that it is vital
18 for local, regional, state, and federal agencies to stimulate the economy; create and retain
19 jobs; reduce fossil fuel emissions; reduce total energy usage; and improve energy and water
20 use efficiency; and

21 WHEREAS, The City has committed to an ongoing, coordinated effort to reduce the
22 emissions that cause global warming, improve air quality, reduce waste, reduce energy use
23 and save money; and
24
25

1 WHEREAS, Funding from the CEC's State Energy Program through Ecology Action
2 will provide funding to GreenFinanceSF for use in the commercial building sector; and

3 WHEREAS, The State Energy Program has been funded as part of the American
4 Recovery and Reinvestment Act; and

5 WHEREAS, Projects undertaken with this funding are in compliance with the California
6 Environmental Quality Act (CEQA), California Public Resources Code Section 21000; and

7 WHEREAS, The grant does not require an ASO amendment; and

8 WHEREAS, The term of the State Energy Program grant will be from January 20, 2011
9 through March 30, 2012; and

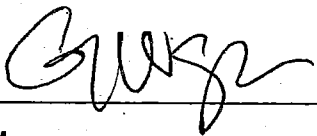

10 WHEREAS, The Department proposes to maximize use of available grant funds on
11 program expenditures by not including indirect costs in the grant budget; now, therefore, be it



12 RESOLVED, That this Board of Supervisors hereby authorizes the Director of the
13 Department of the Environment to accept a State Energy Program grant award on behalf of
14 the City, and to enter into all necessary contracts and agreements, and amendments thereto,
15 on its behalf to implement and carry out GreenFinanceSF in the commercial sector; and, be it

16 FURTHER RESOLVED, that the Board of Supervisors hereby waives inclusion of
17 indirect costs in the grant budget, and be it

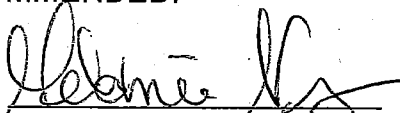
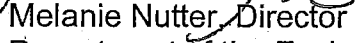
18 FURTHER RESOLVED, The Director of the Department of the Environment is further
19 authorized to furnish whatever additional information or assurances the funding agency may
20 request in connection with this grant, and to execute any and all agreements necessary to
21 carry out the purpose of the grant.

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APPROVED: 
 Mayor

APPROVED: 
 Ben Rosenfield
Controller

RECOMMENDED:


By:  Melanie Nutter, Director
Department of the Environment

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: The Department of the Environment
DATE: 3/11/11
SUBJECT: Accept and Expend State Grant
GRANT TITLE: GreenFinanceSF

Attached please find the original and 4 copies of each of the following:

- Proposed grant resolution; original signed by Department, Mayor, Controller
- Grant information form, including disability checklist
- Grant budget
- Grant application
- Grant award notification
- Other (Explain):

Special Timeline Requirements:

Departmental representative to receive a copy of the adopted ordinance:

Name: Rachel Buerkle

Phone: 355-3704

Interoffice Mail Address:

Certified copy required: Yes

No X

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

File Number: 110409
(Provided by Clerk of Board of Supervisors)

Grant Information Form
(Effective January 2000)

Purpose: Resolution authorizing SF Environment to accept and expend grant funds

The following describes the grant referred to in the accompanying ordinance:

1. Grant Title: Commercial Building Financing Program- GreenFinanceSF 220177 / EVCAGF-10

2. Department: Department of the Environment (SF Environment)

3. Contact Person: Shawn Rosenmoss Telephone: 415-355-3746

4. Grant Approval Status (check one):

Approved by funding agency Not yet approved

5. Amount of Grant Funding Approved or Applied for: \$ 372,600

6a. Matching Funds Required: Yes \$ 40,409

b. Source(s) of matching funds (if applicable): Matching funds are being provided through allocations of the City's Energy Efficiency and Conservation Block Grant related to the GreenFinanceSF program. The acceptance and expenditure of these EECBG funds was approved by the Board of Supervisors in its Ordinance No. 002-10.

a. Grant Source Agency: USDOE/ California Energy Commission's State Energy Program

b. Grant Pass-Through Agency (if applicable): Ecology Action

8. Proposed Grant Project Summary:

On February 10, 2010, the CEC State Energy Program awarded \$2,080,000 for GreenFinanceSF, the City municipal financing program modeled on a Property Assessed Clean Energy (PACE) financing program. The Board of Supervisors accepted the CEC State Energy Program grant award for GreenFinanceSF (Resolution No. 59-10) and identified the Department of the Environment as the administrator of the GreenFinanceSF program on behalf of the City (Resolution No. 008-10)

Unfortunately, while PACE-type financing programs have the support of the US Department of Energy, the Office of the Vice President, and the more than twenty states that have enacted PACE-enabling legislation, recent statements by the Federal Housing Finance Agency and the Office of the Controller of the Currency questioning the security of residential PACE financing have created a climate of uncertainty that threatens to derail the success of existing residential PACE programs and imperils further uptake of PACE financing to support energy efficiency retrofits and renewable energy generation. Thus, the CEC has changed its funding priority to focus on commercial properties only and issued the funds originally awarded to the City and County of San Francisco on February 10, 2010, to the Local Government Commission which will subcontract with Ecology Action, who will then provide sub-awards to the City of San Francisco originally awarded funding on 2/10/10.

Funds awarded from Ecology Action will be used for a Debt Service Reserve Fund, which will provide first mortgagees and retrofit lenders additional security. Currently, lenders may require a 5% loan loss reserve to provide additional security, which can be prohibitive to those seeking to do commercial retrofit work. Thus by using CEC funds for a reserve removes an existing barrier to the implementation of commercial retrofits. The widespread implementation of the commercial assessment lien energy retrofit program is contingent on

retrofit funds being advanced to interested commercial building property owners, and on first mortgagees consenting to the assessment lien.

9. Grant Project Schedule, as allowed in approval documents, or as proposed:
Start-Date: January 20, 2011 End-Date: March 30, 2012

10. Number of new positions created and funded: There will be no new positions created for this project.

If new positions are created, explain the disposition of employees once the grant ends? N/A

12a. Amount budgeted for contractual services: \$0

b. Will contractual services be put out to bid?

c. If so, will contract services help to further the goals of the department's MBE/WBE requirements? N/A

d. Is this likely to be a one-time or ongoing request for contracting out? N/A

13a. Does the budget include indirect costs? Yes No

b1. If yes, how much? N/A

b2. How was the amount calculated? N/A

c. If no, why are indirect costs not included?

Not allowed by granting agency

To maximize use of grant funds on direct services

Other (please explain):

14. Any other significant grant requirements or comments:

****Disability Access Checklist****

15. This Grant is intended for activities at (check all that apply):

- Existing Site(s) Existing Structure(s) Existing Program(s) or Service(s)
- Rehabilitated Site(s) Rehabilitated Structure(s) New Program(s) or Service(s)
- New Site(s) New Structure(s)

16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental or Mayor's Office of Disability Reviewer: Claudia Molina
(Name)

Date Reviewed: _____

Department Approval: Melanie Nutter Director
(Name) (Title)


(Signature)

San Francisco Department of the Environment -

Grant from California Energy Commission-State Energy Program through the California Statewide Communities Development Authority

	Description	Other notes	CEC-Ecology Action	Leverage	Total
PERSONNEL					
Senior Environmental Specialist 5642-Green Building Manager	31% FTE	Pilot Program Replication of the GreenFinanceSF Commercial Program -match funded through the EECBG approved by Board Ordinance No. 002-10		\$29,282	\$29,282
Subtotal Personnel			\$0	\$29,282	\$29,282
Fringe	38%		\$0	\$11,127	\$11,127
Total personnel			\$0	\$40,409	\$40,409
OTHER					
		Grant funds will go into an escrow account that will be used as a debt service reserve fund (DSRF) for qualifying commercial energy retrofit projects per GreenFinanceSF project screening criteria; the DSRF will provide additional investor security and will be available to cover up to 5-10% of the first losses on a portfolio of financings. SFE will issue a Project Solicitation for retrofit project teams, where the property owner enters into PACE financing terms with a capital provider of their choice; lienholder consent (mortgagee waiver) will be a requirement. Selected projects would then negotiate terms to access benefits of the LRF. Leveraging these grant dollars 10:1 could potentially result in approximately \$4M in commercial retrofit investment.	\$372,600		\$372,600
SubTotal Other			\$372,600	\$0	\$372,600
TOTAL DIRECT COSTS			\$372,600	\$40,409	\$413,009
INDIRECT COSTS		Indirect costs are not being charged to the project in order to maximize the amount of funding available for access in the DSRF	\$0		\$0
TOTAL PROJECT (Direct + Indirect)			\$372,600	\$40,409	\$413,009



EcologyAction

Innovation • Partnership • Community

Rich Chien LEED AP, CGBP
Private Sector Green Building Coordinator
Department of the Environment
City and County of San Francisco
11 Grove Street SF CA 94102

January 20, 2011

Subject: Letter of Award pertinent to Contract 400 – 10 – 004 to support a pilot PACE program in San Francisco.

Dear Mr. Chien,

This letter confirms the intent to award \$372,600 to the City/County of San Francisco according to contract 400 – 10 - 004 awarded by the California Energy Commission for the implementation of a pilot commercial and multi-family property PACE program within the state-wide Energy Upgrade California program. Disbursement of the referenced funds is contingent upon sub-contract approval by the Energy Commission. Funds disbursed under this contract must be expended by March 30th, 2012.

Please contact Margaret Bruce or me at 831-426-5925 if you have any questions, or if we can be of any assistance.

Regards,

Chuck Trempier
Vice President and General Counsel