

File No. 100219

Committee Item No. 5

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee BUDGET AND FINANCE

Date 3/3/10

Board of Supervisors Meeting

Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input 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"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input 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"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER

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Completed by: Gail Johnson

Date 2/26/10

Completed by: _____

Date _____

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

1 [Accept-Expend – American Recovery and Reinvestment Act of 2009 (ARRA) – State Energy
2 Program Funds.]

3
4 **Resolution authorizing the Mayor, on behalf of the City and County of San Francisco, to**
5 **accept and expend 2009/10 ARRA funds from the U.S. Department of Energy's State**
6 **Energy Program, disbursed through the California Energy Commission's California**
7 **Comprehensive Residential Building Retrofit Program, in the amount of \$ 2,993,029.**

8
9 WHEREAS, The San Francisco Mayor's Office of Housing (MOH) provides financing
10 for the purchase, rehabilitation, and retrofitting of multifamily affordable housing projects in
11 San Francisco; and

12 WHEREAS, A tremendous opportunity exists to increase energy efficiency and
13 preserve affordability for thousands of units of low income housing in San Francisco; and

14 WHEREAS, The San Francisco Mayor's Office of Housing has been awarded an
15 ARRA-DOE State Energy Program grant through the California Energy Commission to
16 provide technical support and establish a regional green retrofit loan fund to help pay for
17 energy and water efficiency improvements in existing affordable housing; and

18 WHEREAS, The grant does not require an annual salary ordinance amendment; and

19 WHEREAS, The City and County of San Francisco will partner with Enterprise
20 Community Partners and the Low Income Investment Fund to manage the fund and provide
21 technical assistance in support of green retrofit activities; and

22 WHEREAS, The City and County of San Francisco will enter into an agreement with
23 the State of California for implementation of energy efficiency activities; and

24 WHEREAS, The City and County of grant budget includes provision for administrative
25 costs of \$112,466; now, therefore, be it

1 RESOLVED, That the Mayor of the City and County of San Francisco is hereby
2 authorized to accept and expend the City's 2009/10 ARRA DOE-State Energy Program funds,
3 all in accordance with the purposes and goals for the funding as generally set forth in the
4 federal Energy Conservation and Production Act; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors does hereby approve the
6 purposes and goals for 2009/10 ARRA State Energy Program funding as established in San
7 Francisco's December 2009 proposal to the California Energy Commission; and, be it

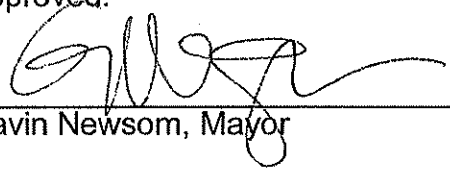
8 FURTHER RESOLVED, That the Mayor is hereby authorized to enter into and execute
9 agreements between the City and County of San Francisco and various agencies consistent
10 with the aforementioned proposal; and, be it

11 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
12 with respect to the acceptance or expenditure of 2009/10 ARRA State Energy Program funds
13 are hereby approved, confirmed and ratified.

14
15 Recommended:

16 
17 _____
18 Doug Shoemaker, Director

19
20 Approved:

21 
22 _____
23 Gavin Newsom, Mayor

24 
25 _____
26 Ben Rosenfield, Controller



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *GC* Mayor Gavin Newsom *GN*
RE: Resolution authorizing acceptance of grant in the amount of \$2,993,029
from the U.S. Department of Energy's State Energy Program
DATE: February 25, 2010

Dear Madame Clerk:

Attached for introduction to the Board of Supervisors is a resolution authorizing the San Francisco Mayor's Office of Housing to accept and expend 2009/10 ARRA funds from the U.S. Department of Energy's State Energy Program, disbursed through the California Energy Commission's California Comprehensive Residential Building Retrofit Program, in the amount of \$2,993,029.

I request that this item be scheduled in Budget and Finance Committee on March 3, 2010. Because of a state deadline, this grant requires Board of Supervisors approval of a resolution no later than March 13, 2010 in order to retain these funds.

Should you have any questions, please contact Starr Terrell (415) 554-5262.

**MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO**



**GAVIN NEWSOM
MAYOR**

**DOUGLAS SHOEMAKER
DIRECTOR**

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Doug Shoemaker, Director
DATE: February 25, 2010
SUBJECT: Accept and Expend Resolution
GRANT TITLE: Federal ARRA DOE - State Energy Plan Funds

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

- Proposed resolution, signed
- Grant information form
- Grant Deliverables and Due Dates
- Program Executive Summary and Budget
- Notice of Funding Award from funding agency, California Energy Commission
- Other (Explain): Letter of Support from San Francisco Mayor's Office, December 18, 2009

Departmental representative to receive a copy of the adopted Resolution:

Name: Lydia Ely **Phone:** 701-5519
Interoffice Mail Address: 1 South Van Ness, 5th Floor
Certified copy required: Yes.

Deliverables and Due Dates

Task	Deliverable (s)	Due Date
A.1 Attend Kick-Off Meeting	Updated schedule of deliverables and list of leverage funds	4/1/2010
A.2 Critical Program Review Meetings	Critical Program Review Reports	Submitted 10/1/2010 and 10/1/2011 or as requested by CEC
A.3 Final Meeting	Written documentation of meeting agreements and all pertinent information	3/15/12
A.4 Monthly Progress Reports	Monthly Reports	Monthly
A.6 Draft Final Report	Final Report Documenting Conclusions	3/15/12
A.7 Identify and Obtain Leverage Funds (Private Capital)	Commitment of \$2 million in private capital for revolving loan fund	\$1.5 million committed as of 1/1/2010 Remaining committed by 6/1/2010
A.7 Identify and Obtain Leverage Funds (subsidies/incentives)	Per project commitment of local subsidies and incentives	Ongoing
1.0 Draft Implementation Plan	Implementation Plan	4/1/2010
2.0 Monitor Implementation	Monthly Progress Reports; monthly submittal of electronic data; invoices for completed work	Monthly
3.0 Identify and Select Properties	Initial Diagnostics; participation commitment	15 properties selected as of 1/1/2010 Ongoing activity with all remaining selected by 6/1/11
4.0 Conduct Energy Audits/Capital Needs Assessments and Establish	Energy Audits and Scopes of Work	4/1/2010 First five completed Ongoing activity with all remaining completed by

Scopes of Work		9/1/2011
5.0 Assemble Funding Packages	Funding commitments (loans/subsidies) to address established Scopes of Work	6/1/2010 First five completed Ongoing activity with all remaining commitments established by 9/30/2011
6.0 Close Financing	Loan documents executed	8/1/10 First five loans closed Ongoing activity with all remaining loans executed by 9/30/2011
7.0 Implement Retrofit Measures	Energy Efficient Affordable Housing; Trained Workforce	2/2/2011 First five work scopes completed Ongoing activity with all remaining retrofit work completed by 3/31/2012
8.0 Verify Installation of Energy Efficiency Measures	Confirmation of Performance	2/2/2011 Performance of first five properties confirmed Ongoing activity with all remaining measures verified by 4/30/2012
9.0 Perform Maintenance Staff and Tenant Education	Capable and knowledgeable staff/tenants to ensure ongoing performance	2/2/2011 education activities complete at first five properties Ongoing activity with all remaining education complete by 4/30/2012
10.0 Monitor Performance	Data on performance of retrofit measures (meeting energy efficiency targets)	Ongoing starting by 2/2/2011

AFFORDABLE MULTIFAMILY RETROFIT INITIATIVE EXECUTIVE SUMMARY

A tremendous opportunity exists to increase energy efficiency and preserve affordability for thousands of units of multifamily housing serving low-income tenants throughout the Bay Area. The State Energy Program (SEP) can provide a critical financial tool to attract private capital to this underserved market. This proposal describes how the **Affordable Multifamily Retrofit Initiative** ("the Initiative") will provide technical support and make green retrofit loans to existing multifamily building owners to help pay for energy and water efficiency improvements. The cash flow generated from reduced utility expenses will pay the principal and interest on the green retrofit loans. As payments are made they will revolve out into the community as new loans for additional affordable housing retrofits.

The Challenge

Meeting the long term physical and financial needs of the affordable housing sector's aging portfolio is a daunting task and requires particular expertise and resources due to the complicated financing involved in these projects, and the way in which the rents are regulated to ensure long term affordability. Multiple layers of financing securing these properties make it very difficult (if not impossible) to secure a loan with the real estate in a senior position such as would be required through tax-lien financing programs. Additionally, affordable housing properties operate on very thin margins, with tight cash flow, and owners are understandably reluctant to undertake holistic energy efficiency upgrades unless funding is provided with very favorable terms and the process is streamlined. Furthermore, non-profit affordable housing providers often lack the financial or technical resources to engage in a whole-building review of energy and water use and are thus challenged to direct limited funds to improvement measure with the greatest impact. Finally, the amount of loan serviceable with energy savings, in most instances, will not be sufficient to cover the full cost of the improvements. Additional resources, such as utility rebates, Weatherization Assistance Program funds, and owner reserves, will most often be required to ensure a whole-building approach to the retrofit work.

Though the challenges are significant, so too is the need. Much of the region's affordable housing is provided in older structure many of which suffer from a host of energy efficiency problems such as leaky single-glazed windows, old boilers and inefficient heat and hot water distribution systems, and poor lighting controls. Such inefficiencies lead to high utility costs that compromise the property's operations and cash flow. To measure the extent of the need, the Initiative has conducted an Energy Retrofit Demand and Sensitivity Analysis using data collected by the San Francisco Mayor's Office of Housing. The analysis shows that 25% of San Francisco's affordable housing portfolio, nearly 7,000 units, suffers from per-unit utility costs that are significantly above average. At a regional level, the need, and by extension, the opportunity is then even greater.

The Program

The Affordable Multifamily Retrofit Initiative meets these challenges, and attends to this need, in two ways: first, by providing technical support to affordable housing owners to assess building energy needs and deficiencies; and second, by assembling financing that can address those needs, increase energy efficiency, improve resident comfort and lower utility costs. Funding for the retrofit work is provided both through the channeling of available subsidies and rebates such as the Weatherization Assistance Program, utility rebates, and local affordable housing funds, and through the provision of low-interest loans paid off with savings that result from the energy efficiency improvements. Leveraged with subsidy and rebate dollars, the Initiative's revolving loan fund will provide capital for energy and water improvements with verifiable near and mid-term payback periods. Currently, there is virtually no private investment

to the end user enhancing the likelihood of full repayment. The loan fund, coupled with extensive technical support, represents a holistic approach to addressing energy efficiency needs in affordable housing, and will spur private investment in an emerging market:

in energy improvements within affordable housing. Thus, a key component of the Initiative is to prove the viability of underwriting loans based on projected energy savings in order to bring private capital to this extensive but difficult to serve affordable housing market.

Technical Assistance

A regional effort, the Affordable Multifamily Retrofit Initiative is already underway in San Francisco, Berkeley and Oakland. Fifteen properties owned by non-profit housing development corporations have been selected to participate, and five properties have already begun to receive pro-bono technical assistance through previously identified grants. The technical support component of the program includes:

- A whole-building analysis of capital needs including an investment-grade energy audit
- Energy/water data collection using tracking software such as Portfolio Manager
- Assistance with assembling subsidy sources such as weatherization funds and utility-based rebates and incentives
- Verification of installation of measures and performance monitoring over time
- Training and education for property maintenance staff and tenants

Given the current lack of data on energy improvements in multifamily buildings, especially those housing low income populations, one of the most compelling aspects of this proposal is the ability to create an audit and verification process for multifamily buildings where it currently does not exist. The Initiative's audit and verification procedures are designed to establish a parallel track to those used for single family homes such as HERS and Home Performance with Energy Star. SEP funding to support the Initiative's technical support component will then have a two-fold effect. First, it will help to provide needed assistance to affordable housing property owners in the review and assessment of their properties (as the Initiative moves to scale this cost can be underwritten as a project cost and supported with identified financing). Secondly, and perhaps more importantly, it will support the collection of data and the establishing of audit and verification protocols essential to the structuring of third-party green building standards for multifamily affordable housing.

Green Retrofit Loan Fund

In addition to providing technical assistance, the Initiative addresses the needs of affordable multifamily properties by creating a green retrofit loan fund. Currently, private loans for energy efficiency improvements in affordable housing do not exist. In order to attract private capital, SEP funds will be used to create a "top loss" component within the revolving fund. Top loss capital is a "tranche" of capital within a loan pool that is blended with other, more senior capital. As a blended pool, these tranches are not apparent to the borrower; they receive a single loan that consists of equal portions of the two tranches. However, the top loss portion of each retrofit loan absorbs the losses on that loan ahead of the private investors' debt in cases of default. Due to the lack of reliable data as to the expected savings of specific retrofit measures, sources of private capital will require a top loss reserve (the loans will, in the parlance of the financial community, have to be "overcollateralized"), until the model is proven. Once efforts like the one being proposed here have proven the concept and generated reliable data, this overcollateralization can be reduced to a more efficient level.

SEP funding in a "top loss" position will serve two key roles that will induce owners of affordable multifamily housing to borrow the funds and construct the improvements: 1) it will lower the overall cost of the capital loaned to the projects, and 2) it will enable loans to be offered on a non-secured basis which is the only viable mechanism due to the highly leveraged financing structure in most affordable housing in the Bay Area. Both of these roles are crucial in leveraging private capital by lowering the investor risk and by making the debt more affordable

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

Grant Information Form
(Effective January 2000)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

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

1. Grant Title: 2009/10 ARRA-Department of Energy: State Energy Program
2. Department: Mayor's Office of Housing
3. Contact Person: Douglas Shoemaker Telephone: 415-701-5509
4. Grant Approval Status (check one):
 Approved by funding agency Not yet approved
5. Amount of Grant Funding Approved or Applied for: \$2,993,029
- 6a. Matching Funds Required: \$0
b. Source(s) of matching funds (if applicable): N/A
- 7a. Grant Source Agency: U.S. Department of Energy
b. Grant Pass-Through Agency (if applicable): California Energy Commission
8. Proposed Grant Project Summary: To provide technical support and establish a regional green retrofit loan fund for energy and water efficiency improvements in existing multifamily affordable housing.
9. Grant Project Schedule, as allowed in approval documents, or as proposed:
Start-Date: March 15, 2010 End-Date: March 15, 2012
10. Number of new positions created and funded: None
11. If new positions are created, explain the disposition of employees once the grant ends? N/A
- 12a. Amount budgeted for contractual services: none; Enterprise Community Partners and Low Income Investment Fund are named sub-awardees to provide loan fund management services
b. Will contractual services be put out to bid? no
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? \$112,466

b2. How was the amount calculated? To reflect program costs.

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

- Not allowed by granting agency
- Other (please explain):

To maximize use of grant funds on direct services

14. Any other significant grant requirements or comments:

****Disability Access Checklist****

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

- | | | |
|--|---|--|
| <input type="checkbox"/> Existing Site(s) | <input checked="" type="checkbox"/> Existing Structure(s) | <input type="checkbox"/> Existing Program(s) or Service(s) |
| <input type="checkbox"/> Rehabilitated Site(s) | <input type="checkbox"/> Rehabilitated Structure(s) | <input type="checkbox"/> New Program(s) or Service(s) |
| <input type="checkbox"/> New Site(s) | <input type="checkbox"/> 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:

For capital projects, ADA compliance and review is required before the project can commence and before any funds are expended.

***Funds are to be used for building systems improvements and should have no impact on accessibility requirements.

Departmental or Mayor's Office of Disability Reviewer: _____ Submitted: Pending Approval _____
(Name)

Date Reviewed: 2/25/10

Department Approval: _____
 (Name) Darcelas Shaenaker Director, Mayor's Office of May
 (Title)
Darcelas Shaenaker
 (Signature)

**Exhibit A
Attachment A-1**

Schedule of Deliverables and Due Dates

Project or Task Number	Task Name	Deliverable(s)	Planned Start Date	Planned Completion Date	ARRA Funds	Leverage Funds
Administration						
A.1	Attend Kick-off Meeting	An Updated Schedule of Deliverables	1/1/2010	3/15/2012		
		An Updated Gantt Chart (optional)	4/1/2010	4/1/2010	1,917	0
		An Updated List of Leverage Funds	1/1/2010	4/1/2010		
		An Updated List of Permits				
		Schedule for Recruiting PAC Members (optional)				
	Commission Contract Manager Deliverables	Final report instructions				
A.2	CPR Meetings	CPR Report(s)	4/1/2010	3/15/2012	3,834	0
		CPR deliverables identified in this Scope of Work				
	Commission Contract Manager Deliverables	Agenda and a List of Expected Participants				
		Schedule for Written Determination				
		Written Determination				
A.3	Final Meeting	Written documentation of meeting agreements and all pertinent information	3/15/2012	3/15/2012	1,917	0
		Schedule for completing closeout activities				
A.4	Monthly Progress Reports	Monthly Progress Reports	4/1/2010	3/15/2012	92,018	0
A.5	Test Plans, Technical Reports and Interim Deliverables		N/A	N/A	0	0
A.6	Final Report					
A.6.1	Final Report Outline	Draft Outline of the Final Report	3/8/2012	3/15/2012	12,780	0
A.6.2	Final Report	Final Outline of the Final Report			3,195	0
		Draft Final Report	2/15/2012	3/8/2012	9,585	0
		Final Report				
A.7	Identify and Obtain Leverage Funds	A letter regarding Leverage Funds or stating that no Leverage Funds are provided	1/1/2010	6/1/2010	0	0
		Letter(s) for New Leverage Funds	1/1/2010	6/1/2010		
		A copy of each Leverage Fund commitment letter	1/1/2010	6/1/2010		
		Letter that Leverage Funds were Reduced (if applicable)	1/1/2010	6/1/2010		
A.8	Identify and Obtain Required Permits	A letter documenting the Permits or stating that no Permits are required	1/1/2010	6/1/2010	0	0
		Updated list of Permits as they change during the Term of the Agreement				
		Updated schedule for acquiring Permits as it changes during the Term of the Agreement				
		A copy of each approved Permit				
A.9	Electronic File Format	A Letter requesting exemption from the Electronic File Format (if applicable)	N/A	N/A	0	0
A.10	Establish the PAC (Optional)	Draft List of PAC Members			0	0
		Final List of PAC Members			0	0
		Letters of acceptance, or other comparable documentation of commitment for each PAC Member				
A.11	Conduct PAC Meetings (Optional)	Draft PAC Meeting Schedule			0	0
		Final PAC Meeting Schedule				
		PAC Meeting Agenda(s) with Back-up Materials for Agenda Items				
		Written PAC meeting summaries, including recommended resolution of major PAC issues				
Administrative Tasks Sub-Total					\$ 112,466	\$ -
Technical Tasks						
1.0	Draft Implementation Plan	Implementation Plan	1/1/2010	4/30/2014		
2.0	Monitor implementation	Progress reports	2/15/2010	4/1/2010	12,780	0
3.0	Identify and select properties	Initial Diagnostic Review	1/1/2010	3/15/2012		
4.0	Conduct audits and needs assessment and establish scopes of work	Energy Audits and Scopes of Work established	1/1/2010	9/1/2011	0	0
5.0	Assemble funding packages	Funding commitments (loans/subsidies)			220,000	120,000
6.0	Close financing	Loans documents executed for properties	4/1/2010	9/30/2011	66,338	0
7.0	Implement retrofit measures	Energy efficient buildings/trained workforce	6/1/2010	9/30/2011	215,599	0
8.0	Verify installation of measures	Confirmation of performance	6/1/2010	3/30/2012	2,000,000	6,000,000
9.0	Perform staff and tenant education	Capable and knowledgeable staff/tenants	10/1/2010	4/30/2012	150,000	0
10.0	Monitor performance	Data on performance over time	10/1/2010	4/30/2012	50,000	0
			2/2/2010	4/30/2014	165,845	0
Technical Tasks Sub-Total					\$ 2,880,563	\$ 6,120,000
Total					\$ 2,993,029	\$ 6,120,000

CALIFORNIA ENERGY COMMISSION

1518 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov



February 10, 2010

Mr. Daniel Adams
San Francisco Mayor's Office of Housing
1 South Van Ness Ave
Suite 500
San Francisco, CA 94103

RE: RFP #400-09-403, Proposal # 8
California Comprehensive Residential Retrofit Program

Dear Mr. Adams,

Thank you for submitting a proposal in response to the California Energy Commission's Request for Proposal (RFP #400-09-403) for the California Comprehensive Residential Retrofit Program. I am pleased to inform you that your proposal, entitled Affordable Multifamily Retrofit Initiative, has been selected for funding. Attached is the Notice of Proposed Award which shows the qualified proposals received by the Energy Commission for this solicitation.

The Energy Commission Contract Manager will be in contact with you to discuss requirements for complying with the National Environmental Policy Act, the California Environmental Quality Act, the National Historic Preservation Act, and the Single Audit Act, to the extent applicable, and any other pre-contract requirements and procedures. The Energy Commission may not approve the contract until these requirements are satisfied. This contract must be approved at an Energy Commission Business Meeting and by the Department of General Services before it is considered finalized.

Thank you for participating in this process. If you have any questions, please call me at (916) 654-5186. We look forward to working with you.

Sincerely,


ANGELA HOCKADAY
Contracts Officer

Attachments

Office of the Mayor
City & County of San Francisco



Gavin Newsom

December 18, 2009

Karen Douglas, Commission Chair
California Energy Commission
1516 Ninth Street, MS-18
Sacramento, California 95814

Dear Ms. Douglas:

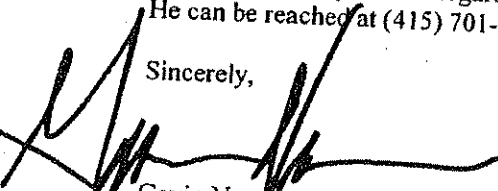
I am pleased to offer my full support for the City and County of San Francisco application for federal funding under the California Energy Commission's State Energy Program (SEP). San Francisco is the lead applicant and prime contractor for this application to create an innovative revolving loan fund to provide much needed financing for energy and water efficiency improvements in the Bay Area's affordable housing sector.

There is a tremendous need and opportunity to increase the energy efficiency of our affordable housing stock, and thus reduce operating costs, improve the comfort of low-income residents, and achieve greenhouse gas reductions within this long-neglected sector. Affordable housing providers across the region serve our neediest citizens, and provide an essential safety net for vulnerable populations. Due to regulated rents and tight cash flow it is often challenging to access traditional financing sources to support much needed energy efficiency upgrades in the affordable housing sector—a sector that could tremendously benefit from such financial and environmental impacts.

Our **Affordable Multifamily Retrofit Initiative** confronts this challenge in two ways. First, it creates a revolving loan fund that attracts private capital to this un-tested market through the provision of a "top loss" loan reserve. Second, through the leveraging of a diverse array of local subsidies and workforce development programs it ensures a comprehensive approach to building improvements, and to ready our local workforce to participate in the emerging green economy. SEP's Comprehensive Residential Building Retrofit Program will provide an important source of additional funding to build on our work to date, expand our innovative finance model, and create new opportunities for funding energy and water efficiency upgrades within affordable housing—a model which is both critically important and widely replicable around the state and country.

If you have any questions regarding this request, please contact Daniel Adams, Senior Project Manager. He can be reached at (415) 701-5528, and daniel.adams@sfgov.org.

Sincerely,


Gavin Newsom
Mayor

CC: Melissa Jones, Executive Director
Angela Hockaday, Contracts Officer

