



Kriss Worthington

Councilmember, City of Berkeley, District 7
 2180 Milvia Street, 5th Floor, Berkeley, CA 94704
 PHONE 510-981-7170 FAX 510-981-7177
 kworthington@ci.berkeley.ca.us

ACTION CALENDAR

September 10, 2013

To: Honorable Mayor and Members of the City Council
 From: Kriss Worthington, District 7, Berkeley City Council
 Subject: HERO Property Assessed Clean Energy Program

RECOMMENDATION

The City should proceed to act on the HERO and PACE programs in order to accomplish the goals laid out in Berkeley's Climate Action Plan. The City should not fall behind with the HERO and PACE programs by waiting until federal regulations on PACE loans have been clarified because it will cause an immeasurable delay on providing clean, alternative energy for the city. The mission of the Climate Action Plan is to reduce the city's overall green house gas emission, and this can be accomplished through solar and energy retrofit in residential and commercial areas. Currently, there are 53 cities and counties that have implemented energy retrofitting. There are at least 23 cities that have followed through with the HERO program and 30 cities that have implemented the PACE program. These programs will provide alternative benefits to the city as a whole through local businesses who participate in clean energy retrofits, and through community members by giving them more options to clean and affordable energy.

The Energy Commission has proposed a number of useful recommendations to the City. In addition, we too have come up with a few alternatives that can help us achieve our Climate Action goals more effectively. One recommendation we have is that we should not wait for the federal government to adopt its regulations because this process can take anywhere from five to ten years. This will greatly delay the goals of our Climate Action Plan, and we do not want the City of Berkeley to be hindered in the path of promoting retrofit energy because the federal government has not solidified its regulations. If 53 other cities have proceeded to act on these programs, so should we.

Also, the previous council item addressed the fact that there are potential problems with residential programs. However, we believe that these problems are fixable, and since they do not apply to commercial retrofitting, it is still beneficial to proceed with commercial retrofitting.

Last, the ongoing change in leadership of the FHFA shows that the proposed letter to the agency is not needed at this time. The current FHFA director Ed DeMarco has been seen as controversial, and the agency is currently being sued on the issue of affordable

housing. President Obama has already nominated Congressman Mel Watt to replace DeMarco. Congressman Watt has been an ongoing supporter of affordable housing and environmental issues. If we postpone sending the letter until the FHFA has changed its leadership, we will have a higher percentage change of gaining approval of our item.

So far, the city has reduced community-wide emissions by 8% since 2000, and hopes to achieve an estimated additional 15% reduction by 2020. In order to achieve this goal, the City should proceed to act on the HERO and PACE programs.

BACKGROUND

HERO is a Property Assessed Clean Energy (PACE) program similar to the Berkeley FIRST initiative that the City piloted in 2008. PACE programs provide financing for solar installations and energy and water upgrades and enable the homeowner to repay the cost of the financing on their property tax bill. PACE financing is an innovative and effective tool for lowering the upfront cost of energy upgrades and amortizing the cost over time. It is an important tool that can assist communities to achieve their energy and climate action goals.

FISCAL IMPACTS

None.

CONTACT PERSON

Kriss Worthington, Councilmember, 981-7171

Savana Manglona, Intern for Councilmember Kriss Worthington, 981-7171

Attachment

1. List of cities that have adopted the HERO and PACE programs

List of cities that have adopted the HERO and PACE programs:

HERO:

- | | |
|-----------------------|-----------------------|
| 1. San Bernardino | 15. Ontario |
| 2. San Marcos | 16. Rancho Cucamonga |
| 3. Vista City | 17. Redlands |
| 4. Orange County | 18. Rialto |
| 5. Adelanto | 19. Twenty Nine Palms |
| 6. Apple Valley | 20. Upland |
| 7. Big Bear Lake | 21. Victorville |
| 8. Chino, Chino Hills | 22. Yucaipa |
| 9. Colton, Fontana | 23. Yucca Valley |
| 10. Grand Terrace | |
| 11. Hesperia, | |
| Highland | |
| 12. Loma Linda | |
| 13. Montclair | |
| 14. Needles | |

PACE:

- | | |
|----------------------|-------------------------|
| 1. Adelanto | 18. Malibu |
| 2. Ann Arbor | 19. Milwaukee |
| 3. Atlanta | 20. Oceanside |
| 4. Bakersfield | 21. Palm Springs |
| 5. Boulder | 22. Redlands |
| 6. Cincinnati | 23. San Diego |
| 7. Commerce | 24. San Marcos |
| 8. District Columbia | 25. Sanger |
| 9. Dublin | 26. Santee |
| 10. Edina | 27. Sonoma |
| 11. Elk Grove | 28. South San Francisco |
| 12. Fresno | 29. Vista |
| 13. Indian Wells | 30. Yucaipa |
| 14. Kerman | |
| 15. Kingsburg | |
| 16. Leon | |
| 17. Long Island | |

