

EDITORIAL | Views of the editorial board

A common-sense way to go green

COUNTY LOANS CAN HELP HOMEOWNERS INVEST IN ENERGY UPGRADES, SOLAR

Amid all the vague talk and some pie-in-the-sky proposals for a "green" economy, here's something real that will move California toward that goal, more slowly perhaps, but surely.

As of last week, Placer County property owners could begin applying for loans to make their homes or businesses more energy efficient. While the focus has been on solar panels, program officials are encouraging steps such as weatherproofing windows or buying more efficient hot water heaters first, saying that it doesn't make sense to install solar panels on an otherwise energy-wasting house.

The loans are expected to average \$25,000 to \$30,000, with the payments added to property tax bills. Plus, much of the work will go to local contractors and companies.

While Placer is leading the way locally, others will soon be following to capitalize on Assembly Bill 811, the 2008 law allowing cities and counties to make property tax loans to help homeowners with the upfront costs of energy and water conservation improvements.

Next month, the California Energy Commission plans to award \$30.5 million in federal stimulus money to support similar programs. The biggest chunk, \$16.5 million, will go to

Sacramento County, the lead agency for a project covering 13 counties and 12 million people. By fall, the commission says, three-fourths of state residents will live in areas with such programs.

But give Placer credit for getting the ball rolling with its own money. Initially, it is putting up \$33 million from the \$1 billion deposited in the county treasury from the budgets of local governments and school districts that would otherwise be invested on Wall Street. Eventually, Placer County Treasurer-Tax Collector Jenine Windeshausen says she hopes to bundle the loan repayments into securities that can be sold so the program will have permanent funding.

Since starting to take loan applications a week ago, Placer officials have received two dozen. They hope to approach the success in Sonoma County, which is averaging \$1 million a month in loans.

With the lessons of the housing meltdown in mind, they're also being cautious with the loans. To be eligible, property owners will have to be current on their property taxes for at least three years and current on their mortgages for at least five years. The loan, which will stretch over five to 20 years, stays with the building, not the borrower. So if it is sold, the benefit of the improvements, and the debt, pass on to the new owner.

The Placer initiative, and others like it, represent a common-sense step in the green revolution.

Placer sparks energy upgrades

LOANS FOR HIGH UPFRONT COSTS CAN BE FOLDED INTO PROPERTY TAX

By MARK GLOVER
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Starting Monday, homeowners in Placer County will be able to install solar panels and other energy improvements on their houses, and pay back the cost over time through their property taxes.

Placer leads the pack locally in getting the Assembly Bill 811 program up and running. Signed into law in July 2008, AB 811 is aimed at overcoming one of the main barriers to improving the energy efficiency of existing homes: the upfront cost.

It authorizes cities and counties to make loans to homeowners for ener-

gy-related and water-conservation improvements, with the payments wrapped into a parcel's property-tax bill and spread over many years.

Other jurisdictions throughout California - including Sacramento city and county - are still formulating their own versions.

Placer Treasurer-Tax Collector Jennine Windeshausen said her county's program - called Money for Property Owner and Water Energy Efficiency Retrofitting, or mPOWER - will not only help the environment and people's wallets, it will boost the local economy.

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"We're investing in our own communities.... Participants are increasing the value of their homes and saving on utility costs," Windeshausen said. "... We're reducing our carbon footprint and reducing our dependence on foreign (energy)... Jobs are being created in the green sector, and those people will likely be spending more money in our communities.

"... The whole economy will benefit, and the state will benefit as other (AB 811) programs roll out."

Cities and counties around the state are using a variety of methods to raise the money needed upfront to make AB 811 loans to homeowners.

Placer has made an initial commitment of \$33 million, which will come from the approximately \$1 billion deposited in the county treasury.

Windeshausen said the county would otherwise invest the money on Wall Street. "It's a vehicle for us to invest in Main Street instead of Wall Street," she said.

She said mPOWER is based on the program that Sonoma County launched in March last year. Berkeley and Palm Desert also have operating programs, although their financing mechanisms differ from mPOWER.

The city and county of Sacramento plan to roll out their AB 811 programs this summer.

In Placer, improvements eligible for funding run the gamut - solar panels, insulation, smart irrigation systems, weatherstripping, high-efficiency windows/doors, modern heating/cooling systems, fuel cells, low-flow water devices, rain cisterns and tankless water heaters.

Like other AB 811 programs, mPOWER ties loan repayment to property tax assessments, and the debt on improvements passes to the new owner if the property is sold. Under mPOWER, the property tax lien repayment period ranges from five to 20 years. The interest rate is 7.25 percent.

Windeshausen estimated that mPOWER participants "can save 10 to 50 percent on home energy bills by making smart energy improvements."

Because mPOWER participation is voluntary, the property tax bills of nonparticipants will not be affected.

Beutler Corp., a local heating and air company that also sells solar products, is among the businesses that stand to get a boost from mPOWER and other soon-to-launch AB 811 programs.

Company president Rick Wylie called the job creation potential of AB 811 "just massive."

"In our industry, this is an exciting time," he said. "A lot of stars are aligning with programs like this."

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