



# Berkeley FIRST

**Berkeley Financing Initiative for  
Renewable and Solar Technology**



# Berkeley's Environmental Leadership

- History of environmental action
  - Pioneered curbside recycling
  - First city to ban Styrofoam containers
  - First city to “adopt” Kyoto Protocol
- Named the 3rd “most sustainable” and 7th “greenest” city in the United States
- ICLEI Analysis:  
Berkeley reduced greenhouse gas emissions 8.9% from 2000-2005.





# Berkeley Measure G

- Measure G -- Aggressive local action to reduce greenhouse gas emissions
  - 80% reduction by 2050
  - Directs mayor to develop plan in 2007
- Major components of climate action effort
  - Develop cutting edge policy
  - Community-based outreach and action
  - Build the green economy



# Berkeley FIRST



- Berkeley FIRST
  - Financing Initiative for **R**enewable and **S**olar **T**echnology
- Loosely modeled on underground utility districts
  - Mello-Roos Act
- Property owners pay for energy projects as a voluntary 20-year assessment on their property tax bills
  - Additional property tax = cost of individual project
- City secures upfront funding for projects through placement of a taxable bond or other financial instrument.



# Benefits of Berkeley FIRST

- Addresses financial hurdles for small-scale solar/ energy efficiency projects
  - Little or no upfront cost to property owner
  - Property tax transfers between owners
  - Property-based tax not directly based on home equity or the credit of the homeowner
  - Lower interest rates on borrowed funds than through traditional home equity loan



# Benchmarks

- Comparable total costs to traditional home equity loan
- Annual costs of special tax as close as possible to utility bill savings



# How It Works

- City creates special tax procedure code and forms “district”
- Property owners contract directly with installers/ contractors
  - All solar must conform to CSI
- City/financial partner approve projects, check property records
- Property tax lien placed on property, funds issued to owner
- Projects completed, property owner files notice of completion



# Simplified Example

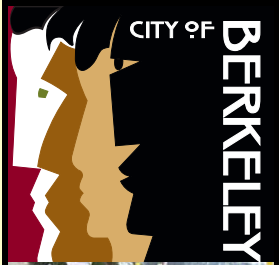
- \$15,000 solar pv system
  - Admin fee of \$500
  - Interest rate of 5.5%
  - 20-year assessment
  - Monthly tax cost: \$106



# Issues to be Resolved

- Energy efficiency component
- Type of back-end financing
- Federal solar tax credit eligibility
- Tax deductibility
- Quality assurance
- City liability issues





# Timeline and Process



- Workshops for the community and installers/contractors (on-going)
- Negotiations with financial institutions (January and February 2008)
- City Council adopts special tax ordinance (March 2008)
- City Council finalizes financial terms and program specifics (May 2008)
- Pilot Program Launches (June 2008)
- Funds Dispersed (July – August 2008)
- Complete “replication guide”
- Launch full-scale program late 2008 or early 2009



# Contact Information

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