Developing a Sustainable Internal Fund to Sustain Your Impact

Revolving Conservation Fund
-City of Visalia
-Pop. 130,000 people
-Established Natural Resource Conservation Division

Conservation Fund
-Established 2009 by City Council to fund projects
-Got over $90 million from the Energy Efficiency and Conservation Block Grant
-Provided a source of future funding

-Initially funded by EECBG rebate incentives and 50% of retrofit utility cost savings over the first 3 years
-First funding accrued 2012

-Retrofitted LED traffic signals
-Hired a consultant for utility accounts
-Located utility savings projects over a 10 year time period with a ROI in the next few years of 100%

Issue: There is a limited new $ coming into the fund

Revolving Loan Fund
City of Moreno Valley
-Found under the Municipal funding

-Developed a Municipal Revolving Fund for Energy Efficiency Project was one of the largest identified tasks under the SCE Local Gov’t Strategic Plan Strategies Program

-The City had funds to start an Energy Efficiency Fund with rebates received from SCE and their own council

Got an energy fund through support from city council, which made this a success story

-Santa Monica, Long Beach and Phoenix that had RLF, to get ideas and find how it would work for City of Moreno Valley

-$110,000 worth of energy rebates
-Did a window tint project (Got support from EDISON)
-Did an HVAC system
-Energy audits, tells about the pay back period

What you need:
-Early direction and support from the City Manager
-City Depts. need to be working together
The fund does work
- Facilities in 2015 requested for $46,000 for lighting retrofits
- Lighting retrofit projects at the City Yard, Golf Course, Library, and Senior Center

**Carbon Offset Program**
- City of Watsonville

- To incentivize green buildings and carbon impacts
- Puts a fee on building permits that goes to the energy efficiency fund
- Carbon impact fees goes to another fund, not to the general fund, that goes to funding energy efficiency projects

Demographics:
- 80% Latino
- 50% of the population is under 25 of age
- Economically disadvantaged

-THEY DO NOT HAVE EXTRA MONEY TO SPEND ON GHG REDUCTION PROJECTS, so where do they find this money?

2012-13 was awarded SB 32 Sustainable Communities Grant to undertake a Climate Action Plan and Carbon Offset Program

**Carbon Fund Overview**
- Make progress toward Climate Action Plan goals
- Attract investment, economic development
- Support sustainable projects

Examples…
1) Carbon Fund in Southampton, England (money would be local and stay local)
2) Contribution Fund Monetary Bay Carbon Fund, Offset Project
3) RFL repaid through a surcharge on water bills

*They chose a two-tiered system:*
   1) Non voluntary
   2) Voluntary
- 30% of the permit fee for any new development buildings will got to the carbon fund

What Does Fee Apply to?
1) New residential and nonresidential construction
2) Multifamily residential and nonresidential additions and/or alterations
   3) Single-family residential additions over five hundred (500) square feet in area

Exempt Projects:
1) Single-family residential alterations
2) Temporary building such as construction tailors

How are Funds Dispersed for Projects?
- Projects are approved by collaborative deliberation between departments and agreement by department heads

What to do differently next time?
- No one can get to 100 offset right now of CO2 (closest people have gotten is 80%)
- GET earlier and more input from solar contractors

How to incentivize Solar, but allowing grants and funding for that
- If you install solar, you don’t have to pay fees is the incentive
- This is a fee, not a tax
- Because you can install energy efficiency through State ordinance, it is exempt from tax, which was verified through CEC

**Sustainable Funding @ WRCOG (Western Riverside)**
- Will double their size in population by 2035
- How do you attract and keep workforce
- How do you implement these things, where do you get the money from?

$1.8 million pilot program to facilitate local sustainability projects that met projects for the Sustainability Framework goals

**AB 2726 (Air District)**
- Air district gets $4 per car in the district
- They give $2 back to the community to reduce tail pipe emissions
- Most of this money goes to signals in cities to be lined up

**AB 939 (Recycling)**
- Fee to the city to operate recycling
- Creates programs to recycle and divert waste

**SB350**
Double energy efficiency
Meets 50% for alternative energy

Sonoma has a PACE fee, where projects have to pay a fee to help pay for sustainability efforts.

**Port of San Diego – Sustainable Leasing Policy Incentive Framework**
THIS IS NEW

- Think about energy efficiency for their projects
- A reach code the extends beyond the local government to involve businesses
- Offering free money for people in the port if they agree to the rules
Sustainable Leasing Policy:
- Identify opportunities to receive funding