CityFIRST
Financing Initiative for Renewable and Solar Technology

CityFIRST is an innovative way to help people 'go solar' now and pay for it over 20 years on their property tax bills.

Powered by Renewable Funding, LLC.  www.renewfund.com
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Problem: The Climate and Energy Crisis

“We, the human species, are confronting a planetary emergency – a threat to the survival of our civilization that is gathering ominous and destructive potential even as we gather here. But there is hopeful news as well: we have the ability to solve this crisis and avoid the worst – though not all – of its consequences, if we act boldly, decisively and quickly.”

Former Vice President Al Gore
Nobel Peace Prize Lecture
Why CityFIRST?

We Face a Global Crisis
The world faces two grave threats to our way of life and our civilization – soaring energy costs and climate change. The world’s scientists have made clear that both of these challenges need to be addressed with an urgency rarely seen outside of events such as a world war. One need not look beyond $5 a gallon gasoline and the California drought to understand the urgency need for solutions.

Cities Are Taking Action
Cities and counties across the country – over 850 at last count – have stepped up to take action to address the climate and energy crisis by pledging to help their own communities meet the Kyoto Protocol targets. Many of those cities have gone further, adopting goals and policies to improve transit, encourage green building techniques, increase recycling, and more. One of the top policy goals has been to improve building energy efficiency and speed the adoption of renewable energy sources such as solar by residents and local businesses.

Failure in Financing
For many property owners, it would make economic sense to make energy efficiency improvements and/or install solar. But they aren’t doing it because of the high upfront cost, long term commitment, and difficult financing. As UC Berkeley Professor Dr. Dan Kammen said, “How many of us would have cell phones if we had to buy 20 years of minutes up front?”
A Solution:
CityFIRST Solar and Energy Efficiency Financing

“In one stroke, the plan would remove the biggest barrier to installing solar – coming up with the upfront cash. It would cut participants’ energy costs and make their homes and buildings more valuable. If adopted widely, it would significantly reduce the greenhouse gas emissions that contribute to global warming.”

Vindu Goel
San Jose Mercury News
November 25, 2007
What is CityFIRST?

CityFIRST is a Solution
CityFIRST is the first major local government program that provides a direct, measurable, and tangible tool to help homeowners and small businesses convert their property to clean energy. The program eliminates many of the existing barriers to solar and energy efficiency and allows us to get started now with solutions to the climate and energy crisis. And, it helps local governments achieve energy reduction goals and reduce dependence on fossil fuels.

CityFIRST makes it easy for property owners to install solar systems and make energy efficiency upgrades with no upfront cost. The CityFIRST program is financed by taxable municipal bonds, providing participants with reasonable interest rates, fixed for 20 years. Cities and counties can implement this program with minimal upfront costs. The program can dramatically reduce energy costs and boost the local green economy.
How CityFIRST Works

**Type of Land-Secured Finance District**
Cities and counties create a type of land-secured finance district that provides the upfront cost of solar, energy efficiency, and other renewable energy installations through proceeds derived from the sale of CityFIRST bonds. All California cities and counties can use the contract assessment districts, as authorized by AB 811. Charter cities can also choose to use a version of Mello-Roos districts. The bonds are repaid from a new line item on participating property owners’ property tax bills over 20 years. Participating property owners pay for only the costs of their energy project. The program is 100% “opt-in” and property tax expenses remain unchanged for those who do not voluntarily choose to participate.

**Benefits to Property Owners**
The CityFIRST program removes many of the financial hurdles facing property owners interested in installing solar systems and other energy efficiency upgrades
- No upfront cost to the property owner
- Incremental property tax payments are low and fixed for 20 years
- Property tax transfers to the new owner when the property is sold
- Utility bills decrease due to energy savings

**Benefits to Cities and Counties**
- Cities and counties can use CityFIRST to meet their climate and energy goals
- All CityFIRST program costs can be paid out of bond proceeds
- There is no liability or other exposure to the city’s general fund
- CityFIRST is a type of Assessment or Community Facilities District, a type of financing well known to local governments and the bond market
- CityFIRST promotes the green economy
CityFIRST in the News and on the Move

National and International Media Coverage
The CityFIRST program is getting attention far and wide as local governments look for innovative ways to reduce energy use and bring down energy costs.

The New York Times
“There are several possible solutions [to expanding the residential solar market]. One being watched is a city–run program developed by Berkeley, Calif. Under the plan, Berkeley pays homeowners to install solar systems and then recoups the cost through a 20–year addition to their property tax bills.” (March 26, 2008)

The Guardian
“The California city of Berkeley has approved a new financing scheme for loans to homeowners who install rooftop solar panels, a landmark programme that could inspire other US cities to follow suit.” (September 18, 2008)

The Mercury News
“In one stroke, the plan would remove the biggest barrier to installing solar – coming up with the upfront cash. It would cut participants’ energy costs and make their homes and buildings more valuable. If adopted widely, it would significantly reduce the greenhouse gas emissions that contribute to global warming.” (Vindu Goel, business columnist, November 11, 2007)

Changes to California Law
The State of California enabled all cities and counties to institute the FIRST program with the passage of AB 811. More than two dozens cities are already implementing or have indicated an interest in their own CityFIRST program.

“By lowering energy costs, reducing energy demand, and expanding generation from renewable energy sources, the voluntary contractual assessment programs authorized by this bill will benefit residents throughout California.”

– Official Legislative Analysis of AB 811 to enable FIRST statewide
Our Services: Turnkey Administration and Financing

“The solar financing program, which allows residents to buy solar panels through property tax assessments, is also part of the climate plan. The city announced last week that the financial backer is Renewable Funding LLC, an Oakland–based financial services firm.”

San Francisco Chronicle
September 24, 2008
We Make it Simple
Renewable Funding makes the CityFIRST program simple and inexpensive for cities and program participants. Starting the program in your community is easy because we provide everything you need -- a comprehensive on-line application processing and administrative solution coupled with a financial package that provides reasonable interest rates and no risk.

The Renewable Funding Turnkey Process

Adoption
Step-by-step assistance to help cities set up the financing district and to determine program components

Education & Administration
Comprehensive information for property owners and complete on-line application processing, screening and administration

Financial Package
Provide seamless program funding by purchasing all CityFIRST bonds on demand and disbursing funding directly to property owners
Adoption and Implementation Guidance
Renewable Funding helps cities and counties understand the legal, financial and administrative details of the CityFIRST program, ensuring full disclosure and transparency during the entire process from implementation to funding. In addition, Renewable Funding helps cities implement the CityFIRST program by assisting in developing program components, selecting appropriate partners, and guides cities through the legal adoption process.

Read more about this at: [www.renewfund.com/cityfirst/how-to-implement](http://www.renewfund.com/cityfirst/how-to-implement).

1. Commit to CityFIRST
The first step is for the city (or county) to make a clear commitment to the program to give staff the direction they need and to ensure the support of top officials, both elected and career. This can take the form of a City Council (or Board of Supervisors) action, mayoral directive or city/county manager decision.

2. Select Administration and Financial Partners
The second step is to select a financial and/or administrative partner(s) to provide assistance with administering the program and purchasing bonds using an appropriate competitive process. Generally, a city will use a professional services contract for program administration and a bond purchase agreement for the financial terms.

3. CityFIRST Adoption Process
Creation of CityFIRST program follows a standard Contract Assessment or Mello-Roos District formation process and takes several trips to the municipality’s governing body for approvals. The legal language is standardized. You can see all the documents and staff reports used by one city on our website: [http://www.renewfund.com/cityfirst/case-studies](http://www.renewfund.com/cityfirst/case-studies).
CityFIRST Administration

Education & Administration

Comprehensive information for property owners and complete on-line application processing, screening and administration

On-line Application and Administration Overview

Once the program is launched, Renewable Funding provides a comprehensive application processing service for the CityFIRST program, customized to fit each city or county’s requirements. The CityFIRST website offers property owners a full-service, interactive experience giving them program information and allowing them to apply on-line. City or county administrators have the ability to access detailed data and reports regarding the program in real time.

Education and Information

Renewable Funding provides interested property owners with detailed information on the CityFIRST program.

The user-friendly website shows property owners how the CityFIRST program works, how to apply, and information on the costs and obligations of the CityFIRST program. A built in calculator allows property owners to determine their actual biannual payments given their project cost and current interest rates. If a property owner is not prepared to apply to the program, they can sign up for regular updates and newsletters to stay informed on CityFIRST program developments.
Application Processing
When ready, property owners apply directly on-line via the website. The application process is simple and requires easily available information. In general terms, the application and approval process goes as follows:

- **Application Completed.** Property owner completes application on-line in about five minutes.

- **Property Screen.** Renewable Funding verifies legal ownership of the property and screens for involuntary liens, notices of default, and other evidence that the property may be in a financial crisis. No credit check is needed because repayment is secured by the property, not the owner.

- **Reservation Approved.** Renewable Funding provides a reservation for funding, allowing the owner to install their new clean energy system.

- **Solar or Energy Efficiency Project Installed.** The property owner installs the solar system or other approved project within the allotted time and then requests funding on-line. Renewable Funding provides customized legal documents to sign and return.

- **Tax Lien Placed.** When provided the legal documents, the City places a tax lien on the property for the approved amount.

- **Check Issued.** Renewable Funding issues a check directly to the property owner for the requested amount.

City/County Administration
Renewable Funding provides exceptional customer service and support for the CityFIRST program.

- **Responsiveness to City/County and Customer Requests.** Renewable Funding provides a team of dedicated staff to handle coordination with city/county staff, the application process, and customer inquiries.

- **Reporting and Monitoring.** City or county staff have 24-hour access to the real time data and information about the FIRST program through the website. Renewable Funding also provides regular reports on program participation.
CityFIRST Financing provides the full set of financial services to support the FIRST program and its expansion. We are the low-cost financial bridge between individual program participants and the municipal bond market.

As each property joins the program, a new CityFIRST bond is issued in an amount necessary to fund their individual solar or energy system. Renewable Funding purchases those CityFIRST bonds from the city at a set interest rate and then provides funding directly to the participating property owner.

**Interest Rate**
Renewable Funding sets an interest rate based on a Treasury Note spread for the entirety of the duration of our bond purchase agreement. The City has certainty that we will buy bonds at the agreed rate. Property owners receive a fixed rate for their entire 20-year repayment period the moment they request funding for the program. The City can increase the effective interest rate to paid by property owners to recoup their administrative costs.

**Reservation Fee**
Renewable Funding will charge a low one-time reservation fee for applicants that are approved CityFIRST financing in the program. No fee will be charged unless the applicant is approved for participation in the program. There are no other costs or fees associated with the program for the city or participant.
**Renewable Funding Financial Partners**

**OneCalifornia Bank**
OneCalifornia Bank is Renewable Funding’s banking partner. One California will provide a warehouse line of credit for the purchase of CityFIRST bonds. In addition, they are partnering with the company in the development of the model and its expansion to other communities.

OneCalifornia Bank is a full service community bank in Oakland, California. They partner with respected community institutions to provide banking services for individuals and families, small and medium-size businesses, nonprofit organizations, affordable-housing developers and community facilities. OneCalifornia maintains a “Double Bottom Line,” meeting social mission goals while operating in a safe, sound and sustainable manner.

**Stone & Youngberg**
Stone & Youngberg expects to purchase aggregated FIRST bonds from Renewable Funding and sell them to investors. Their partnership with Renewable Funding includes proactive and collaborative work to develop the market for CityFIRST bonds.

Stone & Youngberg is a leading financial services company offering a comprehensive range of products and services for public finance clients and institutional and private investors. One of the oldest private financial institutions operating in the country, Stone & Youngberg was founded in San Francisco in 1931 and today trades and underwrites more California municipal bonds, land-secured debt, and redevelopment finance issues than any other firm in the United States.
About Renewable Funding

Renewable Funding, LLC develops and delivers innovative solutions for renewable energy and energy efficiency financing. Renewable Funding is the leader in the turnkey administration and financing of the CityFIRST (City Financing Initiative for Renewable and Solar Technology) Program.

Stephen Compagni Portis, Chairman
Stephen Compagni Portis has served as chief executive of a number of companies and closed more than 50 equity and debt transactions with invested capital in excess of $1 billion. He is currently a Visiting Scholar at the UC Berkeley Renewable and Appropriate Energy Laboratory (RAEL) where he worked to help develop the FIRST program.

Francisco DeVries, Managing Director
Francisco DeVries has worked for three members of President Clinton’s cabinet, members of Congress, mayors, state legislators, Fortune 500 corporations, start-up companies, and non-profit organizations. While Chief of Staff to Berkeley Mayor Tom Bates, he envisioned and led initial development of its nationally recognized solar financing program.

Mimi Frusha, Managing Director
Mimi Frusha has spent over ten years in the community economic development and social service sector including work with asset building, workforce development, and business development programs. She led the design and development of the CityFIRST on-line application and administration model.