



# FINANCING ENERGY EFFICIENCY AND WATER CONSERVATION RETROFIT IMPROVEMENTS FOR WESTERN RIVERSIDE COUNTY

## Frequently Asked Questions

### Member Jurisdictions / Agencies

County of Riverside

City of Banning

City of Beaumont

City of Calimesa

City of Canyon Lake

City of Corona

City of Hemet

City of Lake Elsinore

City of Menifee

City of Moreno Valley

City of Murrieta

City of Norco

City of Perris

City of Riverside

City of San Jacinto

City of Temecula

City of Wildomar

Eastern Municipal Water District

Western Municipal Water District

Western Riverside Council of Governments

4080 Lemon Street,  
3rd Floor  
Riverside, CA 92501  
Phone: (951) 955-7985  
Fax: (951) 787-7991  
[www.wrcog.cog.ca.us](http://www.wrcog.cog.ca.us)

**What is this Program?** The goal of the Program is to offer low interest loans to approximately 13,500 homes and businesses in Western Riverside County for the purchase and installation of energy efficiency and water conservation improvements. Loans to property owners would be repaid over a period of years through voluntary annual assessments.

**Why will a loan Program work?** Many homeowners and businesses desire to retrofit older buildings in order to achieve energy efficiencies and lower related energy costs. Unfortunately, the up-front, one-time costs for installing these kinds of improvements are often an impediment to energy efficient retrofitting. This loan Program will remove this funding impediment, and allow for thousands of properties in one of the fastest growing areas in the United States to reduce energy use, improve home values, and create jobs.

**Who will implement the Program?** The Program will be administered by the Western Riverside Council of Governments (WRCOG). WRCOG is a joint powers authority consisting of each of the 16 cities in Western Riverside County, the County of Riverside, and the Eastern Municipal Water District and Western Riverside Water District. A regional approach to program implementation through WRCOG will provide for a consistent approach throughout Western Riverside County and achieve significant economies of scale as they relate to costs for staffing. As part of its responsibilities, WRCOG will develop the Program implementation / administration parameters, conduct energy and water surveys, develop Program outreach materials and campaign, develop and conduct training workshops, initiate loans and develop tracking and reporting mechanisms.

**How will the Program work?** This is a voluntary program. Willing property owners will apply for Program coverage, and describe the energy and/or water saving improvement(s) desired to be purchased and installed. If approved, WRCOG and the property owner will enter into an assessment contract, through which WRCOG will pay the up-front costs of the energy efficient improvements. WRCOG will place an assessment lien on the property, and the property owner will repay WRCOG for the improvements as part of an annual assessment on the property tax bill over a specified period of time.

**What kinds of improvements qualify?** WRCOG will work with member jurisdictions, water districts, and utilities to develop a listing of eligible projects that the loans will cover. Generally, these are improvements that would be considered as permanent fixtures to a property. These include, but are not limited to solar panels, heating and air conditioning systems, pool filtration equipment, windows and doors, and other investments that will significantly reduce energy use and, in many instances, pay for themselves over time through reduced utility bills.

**Who qualifies to participate?** Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner paying real property taxes. Any residential, commercial, or industrial property owner in participating jurisdictions can participate in the program. In order to qualify, the property owner must: 1) Have clear title to the property; 2) Be current on property taxes; 3) Be current on mortgage payments; and 4) Request improvements that are reasonable both in cost, and in relation to the property value. Properties built prior to 2000 would most likely receive a larger return on energy efficient retrofit investments. In Western Riverside County, there are approximately 189,000 residential properties and 7,000 commercial properties that were constructed prior to 2000.



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**What are the economic impacts?** Using methodological information from the Obama Administration, it is estimated that implementing a \$300 million Program would create or retain an estimated 3,200 jobs in Western Riverside County.

**What are the benefits to the Western Riverside County?** In addition to significant jobs creation, the Program will also:

- Reduce/delay the need for costly infrastructure investments related to additional energy generation and transmission facilities;
- Reduce utility bills for thousands of property owners;
- Improve home and property values by upgrading buildings with energy efficient improvements;
- Position Western Riverside County as a leader in improving air quality and reducing greenhouse gas emissions via a coordinated, large-scale effort supported by jurisdictions in one of the fastest-growing regions in the United States.

**What are the Program benefits to property owners?**

- Provides no-money-down means of financing energy efficiency and conservation improvements;
- Provides a fixed-rate financing over a number of years;
- Provides financing without requiring a property appraisal;
- Provides an easy-to-understand and straightforward financing process;
- Provides residents and businesses access to financing that might not readily be available through traditional means, such as home equity loans;
- Removes the initial up-front costs from being a detriment to energy efficient retrofitting.

**What would an average loan amount be?** WRCOG estimates that average residential property loan will be \$17,500, and average commercial property loan will be approximately \$30,000.

**What happens if a participant sells their property?** The tax obligation will remain an obligation of the property when it is sold. If a participant sells a property prior to the end of the contract tax period, the new owner will assume the obligation as part of the annual tax obligation on that property. The energy systems are part of the property and ownership of the energy system will transfer to the new owner at the close of the real estate sale.

**What are the loan terms?** The loan terms can run 5, 10, 15, and 20 years. The terms will be based on the type and cost of improvements.

**What is the interest rate?** The interest rate for the Program will be determined once funding for the Program has been secured.

**Does the Property still qualify for rebates or tax credits?** Yes, rebates or other incentives that are received at the time of project completion or shortly thereafter (by either the property owner or the contractor) so as to reduce the costs of a project at the outset will not be included in the financing amount. Tax credits that may eventually be available to a property owner and would vary based on applicable tax brackets are not taken into account in determining the financing amount.

# Western Riverside County's Proposed Regional Energy Efficiency and Water Conservation Program

## Frequently Asked Questions

**How will the Program be funded?** WRCOG is seeking a \$300 million loan from the federal government to spearhead the Program. The loan would be fully repaid.

**What if the Special Tax or Assessment is not paid by the property owner?** The Special Tax or Assessments, like other property taxes, will be secured by a lien on the property, which ranks senior to the first mortgage.

**What about foreclosures?** As WRCOG secures funding for the Program, 10% of these funds will be set aside in a reserve account that will be used to assist properties that fall behind on their tax bill for 6 to 12 months.

**What happens if the mortgage company pays the property taxes?** If the property owner has their mortgage company makes their tax payments, the property owner should advise the lender of the assessment on the property, so that the proper amount can be set aside for both the taxes and the assessment.

**How do jurisdictions participate?** A jurisdiction that wishes to participate in the program must notify WRCOG staff of its intent and approve a resolution and agreement authorizing WRCOG to implement the Program on their behalf. A copy of the draft agreement and resolution will be provided by WRCOG.

**What level of involvement is required from the jurisdiction?** After providing WRCOG with the appropriate notification to participate in the program, the only role of cities and counties will be to process the permits they require for the installation of the energy efficient equipment.



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