



## Legislation Details (With Text)

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<b>On agenda:</b>	6/22/2010	<b>Final action:</b>		<b>Final action:</b>	6/22/2010
<b>Title:</b>	Recommendation to adopt resolution authorizing participation in the Los Angeles County Energy Program (LACEP); adopt the LACEP report; and authorize City Manager, or designee, to act for the City and to execute all necessary documents on behalf of the City. (Citywide)				
<b>Sponsors:</b>	City Manager				
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<b>Attachments:</b>	1. 062210-R-22sr&att.pdf, 2. RES-10-0063.pdf				

Date	Ver.	Action By	Action	Result
6/22/2010	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution authorizing participation in the Los Angeles County Energy Program (LACEP); adopt the LACEP report; and authorize City Manager, or designee, to act for the City and to execute all necessary documents on behalf of the City. (Citywide)

Assembly Bill 811 (AB 811) was approved by the State Legislature and signed by the Governor on July 21, 2008. AB 811 and its amendments authorize local governments to provide financing to qualified property owners for the installation of energy and water efficiency improvements and distributed generation renewable energy sources that are permanently fixed to their respective properties. Participating property owners repay the cost of the improvements through an assessment levied against their property which is payable in semi-annual installments on property tax bills, with a lien filed against the property as security. The assessment remains with the property should the owner transfer or sell it.

On May 25, 2010, the County of Los Angeles approved an AB 811 voluntary contractual assessment program, known as the Los Angeles County Energy Program (LACEP), to finance the installation of such improvements within the unincorporated areas of the County. These voluntary contractual assessments may also be entered into by property owners in incorporated cities subsequent to the adoption of a Resolution of Participation in LACEP by the legislative body of the incorporated city. Attachment A provides an overview of the Los Angeles County Energy Program.

LACEP financing, under AB 811, mitigates two key barriers that may prevent property owners from implementing a greater number of energy efficiency, water efficiency and renewable energy projects: 1) it eliminates the need for property owners to pay out-of-pocket up-front costs for improvements; and 2) it establishes a loan obligation that is attached to the property and not to the individual borrower. LACEP is intended to facilitate a significant industry shift in the region toward a greater energy efficiency and renewable energy resource economy. The availability of AB 811 financing can be a catalyst in spurring the local economy by creating green home energy retrofit jobs, and stimulating development of local manufacturing, distribution, research and development activities.

Energy retrofit improvements to existing properties in the County will allow property owners to reduce energy and water use, as well as greenhouse gas emissions. At the same time, participants will reduce their ongoing costs for electricity, natural gas and water, and improve the comfort and safety of their home. Additional benefits to participants and to the City are highlighted in Attachment B.

The first phase of LACEP will fund improvements to residential properties. It is anticipated that loans to eligible residential applicants will begin disbursement after September 1, 2010. A subsequent future phase of LACEP will fund improvements to non-residential (commercial) properties following full implementation of residential financing.

Property owners will have access to LACEP information through a variety of sources, including access to a comprehensive website that includes an online loan application process. Basic marketing and outreach material templates will be provided by the County at no charge for use by the City in its own promotion of the program within the community.

The attached Resolution authorizes the County of Los Angeles to accept applications from owners of property within the City of Long Beach for financing of energy efficiency, water efficiency and renewable energy improvements through LACEP. It also authorizes the County to conduct assessment proceedings and levy assessments against the property of participating owners within City boundaries. Finally, it authorizes miscellaneous related actions and makes certain findings and determinations required by law. The County of Los Angeles will undertake a judicial validation proceeding as part of its initiation of LACEP. The City can withdraw from LACEP at any time by passing a Resolution rescinding the authorization.

This item was reviewed by Deputy City Attorney Linda Trang on May 26, 2010 and Budget Management Officer Victoria Bell on May 25, 2010.

#### SUSTAINABILITY

Long Beach's Sustainable City Action Plan, which was approved by the City Council on February 2, 2010, includes goals to 'Facilitate the development of at least eight megawatts of solar energy within the community by 2020,' 'Reduce community electricity use by 15 percent,' and 'Achieve a 20 percent demand reduction in per capita water use by 2020.' Adopting a Resolution to opt into the LACEP enables the City to offer a vehicle for meeting these goals.

City Council action is requested on June 22, 2010, to ensure Long Beach residents can participate as soon as the program launches in September 2010.

There are no fiscal impacts to the City of Long Beach and no current local job impacts associated with this recommendation.

Approve recommendation.

PATRICK H. WEST  
CITY MANAGER

