Legislation Details (With Text)

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Effective date:			
Title:	A substitute ordinance establishing an energy efficiency improvement fund and loan program.		
Sponsors:	ALD. ZIELINSKI, ALD. KOVAC, ALD. WITKOWSKI		
Indexes:	ENERGY CONSERVATION		
Attachments:	1. Best Practices Report, 2. Fiscal Note, 3. Hearing Notice List, 4. Milwaukee Shines Solar PACE Loan Program Manual, 5. Notice Published on 3-18-10		

Date	Ver.	Action By	Action	Result	Tally
7/7/2009	0	COMMON COUNCIL	ASSIGNED TO		
2/18/2010	0	CITY CLERK	Sponsor added		
2/19/2010	1	CITY CLERK	DRAFT SUBMITTED		
2/19/2010	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/19/2010	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/19/2010	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/19/2010	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/22/2010	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	RECOMMENDED FOR PASSAGE	Pass	5:0
3/2/2010	1	COMMON COUNCIL	PASSED	Pass	13:1
3/11/2010	1	MAYOR	SIGNED		
3/18/2010	1	CITY CLERK	PUBLISHED		

090376
SUBSTITUTE 1

ALD. ZIELINSKI, KOVAC AND WITKOWSKI
A substitute ordinance establishing an energy efficiency improvement fund and loan program.
304-26.5 cr
This ordinance establishes an energy efficiency improvement fund and loan program to address the barrier of a high upfront cost of installing energy savings improvements and renewable resource applications. This revolving loan fund allows homeowners to pay back, as a special charge, payable in installments through the property tax, 100% of the approved expenses of installing energy efficiency improvements to their property. Section 66.0627, Wis. Stats., establishes a process for initiating energy efficiency improvement loans and allows a special charge to be imposed and collected in installments even if the special charge is not delinquent.

The program will administer loans from a minimum of $3,000 to a maximum of $20,000, with installment payments on the tax roll for 5 to 15 years. The loans will be underwritten at prime rate or the cost of funds, whichever is higher, plus 2%, inclusive of 0.5% for loan administration and 1.5% to fund a bad debt reserve.

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 304-26.5 of the code is created to read:

304-26.5. Energy Efficiency Improvement Loan Program. 1. PURPOSE. It is the purpose of this section to establish an energy efficiency improvement fund and loan program to address the barrier of a high upfront cost of installing energy savings improvements. It is furthermore the purpose of this section to enable a property owner to make or install an energy efficiency improvement or a renewable resource application to the resident's principal residential property, occupied by the property owner, and allow the city to collect the loan repayments as a special charge on a property owner's tax bill.

2. STATE COMPLIANCE. All special charges levied by the city of Milwaukee for energy efficiency improvement loans shall be made in accordance with s. 66.0627, Wis. Stats. as amended, and this section.

3. LOAN APPROVAL. a. Applicants for the energy efficiency loan fund shall submit a completed application, supporting documentation as detailed in the loan program manual prepared by the department of administration and a non-refundable $50 application fee to the department of administration or its designated loan servicing agency.
b. After the underwriting criteria have been reviewed and deemed sufficient by the department or its designated loan servicing agency, the energy efficiency improvement loan may be pre-approved and the loan amount may be reserved from the fund balance. The number of loans shall be limited by the balance of the energy efficiency improvement fund.
c. The loan shall be finalized once the energy efficiency installation is complete and all city permits are closed.

4. PAYMENT TERMS. Any energy efficiency improvement loan obtained under this section shall be placed upon the tax roll under the following terms and conditions and in the following manner:
a. If the amount of the principal of the loan is the sum of $7,000 or less, it shall be spread equally over the first available and next 4 succeeding tax rolls.
b. If the amount of the principal of the invoice loan is the sum of $10,000 or less, and greater than $7,000, it shall be spread equally over the first available and next 9 succeeding tax rolls.
c. If the amount of the principal of the loan is greater than $10,000, it shall be spread equally over the first available and next 14 succeeding tax rolls.
d. In addition to the principal remaining, interest shall be added commencing after the initiation date of the loan. The interest rate charged shall be set by the comptroller annually as of the last business day in June and based on an approximation of the prime rate or the cost of funds, whichever is higher, plus a 0.5% loan servicing fee and 1.5% bad debt reserve. For the purpose of this section, the prime rate shall be defined as prescribed in s. 115-42-8-b-3. The interest rate in effect at the time of the loan origination for an individual project shall be fixed for the duration of the amount provided for under this section.
e. After being placed on the tax roll in annual installments, the amounts of special charges shall be paid within the time allowed for the payment of general property taxes. If the taxpayer fails to pay a

special charge within the time allowed for payment, it shall become delinquent and shall be treated in the same manner and subject to the same laws as a delinquent general property tax, as prescribed in ss. 304-45 to 304-48.

APPROVED AS TO FORM

_____
Legislative Reference Bureau
Date: _____
IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

_____
Office of the City Attorney
Date: _____

LRB09298-2
RTW
02/15/2010