

I. Statutory Authority

“A recipient may use funds to respond to the public health emergency or its negative economic impacts, including one or more of the following purposes. . .

A program, service, or other assistance that is provided . . . to other households, businesses, or populations disproportionately impacted by the COVID-19 public health emergency, such as:
....

(ii) Programs or services that address housing insecurity, lack of affordable housing, or homelessness.”

(American Rescue Plan Act of 2021, § 35.6 (b) (12) (ii)).

86 FR 26786, 26794 (2021).

“*Assistance to Households.* Assistance to households or populations facing negative economic impacts due to COVID-19 is also an eligible use. This includes: Food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance (discussed below); emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. In assessing whether a household or population experienced economic harm as a result of the pandemic, a recipient may presume that a household or population that experienced unemployment or increased food or housing insecurity or is low- or moderate-income experienced negative economic impacts resulting from the pandemic.”

The definition of low and moderate income comes from the HUD. In Marin County, the income limit for moderate income is \$146,350 for a family of 4. (<https://www.marinhousing.org/marin-county-income-limits>).

II. Social Equity and Climate Change

During the comment period to the Climate Action Plan, we received a number of comments noting the difficulties of retirees and others with fixed or low income to make needed investments into improving climate footprint. Today, the people who are able to make investments into renewable energy are people of means.

As noted in the Federal Register, it is an acceptable use of the ARPA funds to provide weatherization, utility, and other assistance to low- and moderate income residents of our town.

ARPA provides the Town of Fairfax a unique opportunity to serve the needs of the its economically disadvantaged residents in service to them, and the climate, in a unique and sustainable way.

III. Overview of the opportunity

We propose to use \$160,000 of the ARPA money to cover certain administrative costs, and as matching grants for the launch of a Town of Fairfax Renewable Energy Co-op (FREC). We recommend that the FREC be managed by the non-profit organization Sustainable Fairfax (SFX).

The essence of the FREC is that it will take investments of Town Residents and match them with funds from the ARPA funds. The funds will be used to invest in small solar energy projects that will be deployed to the residences of Fairfax who qualify as low- or moderate-income residents. The resident will pay the FREC for the electricity produced by the solar panels at a rate that is \$0.01 less than the rate that they would have paid to PG&E for its conventional electrical service. The term of the agreement will be in perpetuity, with an option for the property owner to purchase the system if they desire to do so, at some point.

The revenues from the sale of electricity will be distributed proportionately to the investors, including the FREC (that is, since 50% of the original funds will come from the ARPA, 50% of the revenues will be paid back to the FREC, with the remainder distributed to the Town of Fairfax resident investors).

This plan

- allows Resident investors to receive a small return on their social impact investment in the climate and their neighbors;
- allows low- and moderate income residents of the Town of Fairfax to become part of the clean energy movement;
- allows the Town to show its residents that, not only does it ask of us to make investments towards our Climate Goal, but also that we will invest in them;
- allows the Town of Fairfax to walk the talk in terms of social equity;
- allows the Town of Fairfax to establish a sustainable method by which the Residents of the Town can invest in increasing amounts of renewable energy projects;
- allows the Town of Fairfax to make progress towards its Climate Neutrality Goal.

IV. Proposed Project Partners

The primary manager of the project will be Sustainable Fairfax, in partnership with the Town's CAC. For many years, the Town has successfully partnered with Sustainable Fairfax to implement critical elements of our Climate and other Sustainability Goals.

We will also partner with [People Power Solar](#). This organization, located in Berkeley, California, specializes in developing solar coops by bringing together local investors and deploying small systems for the benefit of low- and moderate- income people. PPS will provide needed administrative and technical services to FREC for at least one year. In addition to providing the needed services, PPS will help SFX to build its capacity to build capacity and take over program

administration within 2-3 years of project launch. PPS will be paid a reasonable fixed fee for each system they administer.

We will also partner, as needed, with Sustainable Economies Law Center. This law firm helped People Power Solar to create its structures, and it is possible that we could potentially work with them to develop needed structures without needing too much assistance, thus accelerating the pace at which the FREC would become self-sufficient.

Finally, we will partner with one or more local solar installers. We propose to develop one or more standard systems for installation. These systems will not be tailored for each individual house, but will be smaller systems, designed to provide a portion of the home's electricity, such that we are able to maximize production while minimizing costs at least partly because of the ability to purchase in bulk, and to avoid the need for extensive design services to tailor each installation.

We will work with the Town's Public Works department to reduce permitting costs and time, because of the standardized nature of the installations.

V. Ownership of the Solar Assets

The solar assets will be owned by the FREC. FREC will contract with the property owner to ensure that, if the owner sells the property, they will reimburse FREC for the system cost out of the purchase funds. At the end of 15 years, ownership of the system will go to the homeowner.

VI. Types of properties

In the initial stages of the project, we will deploy projects on homes that are owned by the residents. Over time, we will begin to work with various landlords to develop processes for providing similar services to their residents.

VII. Proposed Project Plan

Phase 1: Complete by mid-2022

- Develop standardized design and pricing for small system
- Develop, and prioritize list of eligible deployment sites
- Secure investments from Fairfax residents sufficient to deploy initial system(s)

Phase 2: Complete by mid-2023

- Implement initial project(s)
- Build capacity to assume responsibility for program management (note; administrative fees will now be directed from PPS to FREC).
- Secure additional investments for additional projects
- Recruit additional project sites, including outreach to rental properties
- Collect revenues from initial project(s) and distribute funds to investors

Phase 3: Continuous growth 2023 -

- Continue to deploy projects as financially feasible

- Assume responsibility for overall program management
- Continue to secure additional funding for additional projects – all projects from this point forward to be 100% funded by investors
- Continue to recruit additional project sites, including residential and rental properties
- Continue to collect and distribute revenues

VIII. Sample Project Pro Forma:

Initial System, 4 kw

Initial Cost: \$12,000 (\$6,000 from investors, \$6,000 from ARPA money)

Anticipated Annual Revenues: 4560 kwh x \$0.25/kwh = \$1,140

Annual Administrative Costs: \$140

Annual return to Investors: \$1000; \$500 to investors, \$500 to FREC for use in future projects.

Investor total return:

Initial capital: \$6,000

15 years of returns: \$7,500

Profit: 25%

Homeowner total return:

Initial capital: \$0

Energy Savings (=\$.01x4560X15)=\$684

And, participation in renewable energy

IX. Program Target & Budget

	Expense	Revenue	Total
Year 1: Program Management:	(\$20,000)		
Deploy 10 projects:	(\$60,000)		(\$80,000)
Year 2:			
Program Management:	(\$20,000)		
Deploy 10 more projects:	(\$60,000)		
Revenue from first 10 projects		\$10,000	(\$70,000)
Year 3 - 15:			
Program Management:	\$20,000		
Revenue from first 20 projects		\$20,000	
Project funding 100% from investors			\$0