



Leon County

Board of County Commissioners

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Leon County



LEON ENERGY ASSISTANCE PROGRAM

(LEAP)

10/15/10

Introduction

The Leon Energy Assistance Program (LEAP) is a program that allows property owners to finance energy efficiency improvements. The program will occur in two phases, a pilot program followed by the fully implemented program.

Pilot Program:

The pilot provides up to 100 home energy audits at no cost to the property owner. The 100 pilot participants are first-come first-served, with audits occurring over a three month period. The audits are to be conducted by qualified inspectors and will result in a list of deficiencies and opportunities to reduce energy consumption of the building. Additionally each pilot participant will be surveyed regarding their interest for utilization of a low-interest financing up to \$7,000 to implement many of the audit findings and recommendations. If a minimum of 1/3 of the pilot participants express interest in pursuing financing, a full program will be implemented. The pilot program will also provide the opportunity to fine-tune details of the full program.

Full Program:

Interested property owners opt-in to receive financing for these 'green' enhancements, which is repaid through an assessment on their property taxes. This arrangement spreads the cost of energy improvements over ten years. The repayment obligation is automatically transferred to the next property owner if the property is sold. The improvements can save up to 20% of energy consumption which offset the annual assessment cost.

The primary purpose of LEAP is to enact meaningful energy reduction efforts. As a result, this program is not intended to serve as a finance program for home maintenance or decorative upgrades. LEAP will generate net economic benefit to participants and provide tax-exempt equity in the property. In addition to benefiting the property owner, LEAP will also help create jobs, more disposable income for working class families, and reduce green house gas emissions. Leon County is striving to create a more diverse and sustainable economic base.

Advantages of LEAP

Property Owner:

- Lower utility bills
- Reduce the up front cost of energy retrofits
- Positive cash flow – utility savings equal to or greater than retrofit cost
- Adds value to your property and more appealing for resale
- No credit qualification
- Financing not dependent on equity in property
- The financing runs with the property not the owner. If you move the new owner continues payment while also gaining the benefit of reduced energy.

Leon County:

- Stimulate the local economy
- Job creation, specifically in the hard hit construction industry
- Support reduction of fossil fuels
- Reduces green house gas emissions
- No commitment of tax dollars, assessments placed only on those properties that opt-in

Eligibility

Eligible Participants

- Property owner
- Live within the target area (non-City utility customers)
- Property taxes not delinquent
- Current on mortgage
- No bankruptcy or foreclosure

How to Apply For Financing

- Full program (Not yet launched): Contact Leon County Housing & Human Services at 606-1900
- Provide proof of property ownership
- Document the structure is existing at time of application
- An energy audit will be scheduled
- Auditor determines opportunities for energy reduction and makes prioritized recommendations
- Property owner obtains three quotes from licensed contractors. Quote to include license number and all associated project costs such as materials, equipment, permitting fees, recording fees, audit costs, contingency fees etc.

Eligible Improvements

- Caulking
- Weatherstripping
- Air duct sealing
- Insulation of walls, roof, floor,
- HVAC, controls, distribution
- Windows and doors
- Lighting
- Water or pool heater
- Rainwater harvesting
- Cool or reflective roof systems
- Solar PV
- Not appliances like washer machines (must be fixed to property)

Program Terms:

- Interest based on 10 year treasury note + 1/2%
- Financing amount between \$1,000 - \$7,000
- Payment made to homeowner
- 10 year pay back with annual payments
- Example: 10 year payback \$7k financed, interest 4.5% = \$870 interest
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Frequent Questions

Other government entities offer energy efficiency programs, so why is Leon County's LEAP the "first of its kind"?

Many governments including the City of Tallahassee do indeed offer incentives to improve energy efficiency. What makes LEAP so unique is that the financing stays with the property not the individual property owner. When LEAP participants sell their home, the new owner will continue the remaining debt payments while at the same time receiving the continued benefit of energy savings. As such, LEAP is the first program in Florida to enact a property based finance program.

Will I be taxed if do not want to participate?

No, the assessment is not imposed on taxpayers who choose not to participate in the program. Property owners will participate only if they "opt-in" to the Energy Conservation District and have work done on their property as part of the program.

How will the interest rate on the assessment be calculated?

The interest rate is set at 0.5% over the 10-year U.S. Treasury Note. The interest rate is fixed for the 10-year duration of the repayment once a participant requests funding. For example the 10-year treasury note has recently been about 3%. So a new LEAP participant would lock in at 3.5% interest.

How much will I pay if I do choose to participate?

The annual assessment amount for each property owner is calculated based upon the cost of the energy improvements the property owner chooses to implement. For example if a property owner were to finance the maximum amount of \$7,000 and pay over the full ten years, with an interest rate of 3.5%, then the property owner would pay \$841 of interest + \$7,000 financed = \$7,841 or an annual assessment payment of \$784 or monthly cost of \$65.

Are there penalties for paying the assessment in less than the ten years permitted?

There are no penalties or fees for early payment.

Can I use any contractor for my energy improvements?

In order to qualify for LEAP funding, quotes must be obtained from three licensed contractors. The property owner is free to select any of these three for service, although the County reserves the right to decline a quote if it does not reflect reasonable market rates.

What if my energy audit reveals more than \$7,000 of needed energy improvements?

The maximum program amount is \$7,000 and is inclusive of all associated costs such as the audit, labor, necessary engineering, permits fees or inspection charges. Additional improvements may take place, with payment provided by the property owner.

My windows are old and I would like to replace them, can I get financing through LEAP?

Windows are a permissible item under LEAP. However, only improvements listed in the energy audit as recommendations will qualify for LEAP. In the case of windows, some audits may find windows are in need of replacement to enhance energy efficiency, while an audit of another home may determine windows are not necessary. The primary purpose of LEAP is to enact meaningful energy reduction efforts. As a result, this program is not intended to serve as a finance program for home maintenance or decorative upgrades.

I own more than one property, can I participate in LEAP multiple times?

No, only one opportunity per person is permitted.

Where can I find more information?

For additional information regarding LEAP, contact the County's Office of Sustainability at (850) 606-5300 or Sustainability@LeonCountyFL.gov.